

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014**



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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 consolidated financial statements of the Municipality of the Town of Riverview, New Brunswick, which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Members of Council and management are 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 members of council and management determines is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of Municipality of the Town of Riverview, New Brunswick as at December 31, 2014, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of Matter

The Department of Local Government of New Brunswick has requested some additional disclosures based on the Municipal Financial Reporting Manual dated December 16, 2011. The Municipality of the Town of Riverview, New Brunswick has added schedules of regulatory reporting requirements on pages 22 to 24 to comply with these requirements.

Riverview, NB
April 13, 2015

Stevenson + Partners

Chartered Professional Accountants

MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

	2014	2013
FINANCIAL ASSETS		
Cash in bank (Note 9)	\$ 3,904,982	\$ 3,205,078
Receivables (Note 2)	<u>3,211,189</u>	<u>2,716,572</u>
	<u>7,116,171</u>	<u>5,921,650</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 3)	\$ 2,561,009	\$ 2,133,596
Deferred government transfers (Note 4)	470,204	380,480
Long-term debt (Note 5)	20,334,000	25,294,000
Accrued pension liability (Note 6)	840,200	1,217,900
Accrued retirement allowances (Note 7)	<u>994,874</u>	<u>996,768</u>
	<u>25,200,287</u>	<u>30,022,744</u>
Net debt	<u>(18,084,116)</u>	<u>(24,101,094)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 8)	118,429,649	115,835,417
Inventories of materials and supplies	319,967	290,649
Prepaid expenses and deposits	<u>54,266</u>	<u>413,403</u>
	<u>118,803,882</u>	<u>116,539,469</u>
Accumulated surplus	<u>\$100,719,766</u>	<u>\$ 92,438,375</u>

APPROVED BY:


 _____ Mayor


 _____ 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
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2014 Budget (Unaudited)	2014 Actual	2013 Actual
Revenue (Schedule 2)			
Property tax warrant	\$ 21,787,350	\$ 21,787,350	\$ 20,642,822
Unconditional transfers from the Provincial Government	1,887,016	1,887,016	1,834,260
Other contributions and government transfers	3,668,179	3,702,348	7,864,834
Sales of services	1,372,565	1,342,119	1,318,430
Other revenue from own sources	675,692	586,484	806,161
Water and sewer revenue	<u>6,153,800</u>	<u>6,261,963</u>	<u>5,885,590</u>
Total revenue	<u>35,544,602</u>	<u>35,567,280</u>	<u>38,352,097</u>
Expenses (Schedule 3)			
General government services	1,768,347	1,925,890	1,898,968
Protective services	5,964,252	5,928,334	5,842,368
Transportation services	3,406,317	3,262,105	3,264,416
Environmental health and development services	1,924,325	1,910,611	1,771,752
Recreation and cultural services	4,438,853	4,296,769	4,028,139
Water supply	2,828,371	2,745,567	2,639,015
Sewerage collection and disposal	2,337,814	2,261,568	2,226,908
Amortization of tangible capital assets (Note 8)	3,904,593	3,904,593	3,702,174
Interest expense and miscellaneous	<u>1,079,807</u>	<u>1,050,452</u>	<u>1,196,778</u>
Total expenses	<u>27,652,679</u>	<u>27,285,889</u>	<u>26,570,518</u>
Annual surplus	<u>\$ 7,891,923</u>	8,281,391	11,781,579
Accumulated surplus at beginning of year		<u>92,438,375</u>	<u>80,656,796</u>
Accumulated surplus at end of year		<u>\$100,719,766</u>	<u>\$ 92,438,375</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
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2014	2013
Annual surplus	\$ <u>8,281,391</u>	\$ <u>11,781,579</u>
Acquisition of tangible capital assets	(6,313,088)	(10,540,028)
Amortization of tangible capital assets	3,904,593	3,702,174
Loss on sale of tangible capital assets	65,318	72,552
Proceeds on sale of tangible capital assets	27,291	25,771
Change in assets under construction	<u>(278,346)</u>	<u>(2,378)</u>
	<u>(2,594,232)</u>	<u>(6,741,909)</u>
Change in inventories of materials and supplies	(29,318)	(4,522)
Change in prepaid expenses and deposits	<u>359,137</u>	<u>(19,715)</u>
	<u>329,819</u>	<u>(24,237)</u>
Change in net debt	6,016,978	5,015,433
Net debt at beginning of year	<u>(24,101,094)</u>	<u>(29,116,527)</u>
Net debt at end of year	\$ <u>(18,084,116)</u>	\$ <u>(24,101,094)</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
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
Operating transactions		
Annual surplus	\$ 8,281,391	\$ 11,781,579
Amortization of tangible capital assets	3,904,593	3,702,174
Loss on sale of tangible capital assets	65,318	72,552
Change in accrued pension liability	(377,700)	(144,300)
Change in accrued retirement allowances	(1,894)	51,842
Change in receivables	(494,617)	(642,848)
Change in accounts payable and accrued liabilities	427,413	253,425
Change in inventories of materials and supplies	(29,318)	(4,522)
Change in prepaid expenses and deposits	<u>359,137</u>	<u>(19,715)</u>
Cash provided by operating transactions	<u>12,134,323</u>	<u>15,050,187</u>
Capital transactions		
Acquisition of tangible capital assets	(6,313,088)	(10,540,028)
Change in assets under construction	(278,346)	(2,380)
Change in deferred government transfers	89,724	(164,159)
Proceeds on sale of tangible capital assets	<u>27,291</u>	<u>25,771</u>
Cash applied to capital transactions	<u>(6,474,419)</u>	<u>(10,680,796)</u>
Financing transactions		
Proceeds from long-term debt issue	-	300,000
Long-term debt repayment	<u>(4,960,000)</u>	<u>(3,556,000)</u>
Cash applied to financing transactions	<u>(4,960,000)</u>	<u>(3,256,000)</u>
Increase in cash and cash equivalents	699,904	1,113,391
Cash and cash equivalents at beginning of year	<u>3,205,078</u>	<u>2,091,687</u>
Cash and cash equivalents at end of year	<u>\$ 3,904,982</u>	<u>\$ 3,205,078</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
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
DECEMBER 31, 2014

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. Summary of significant accounting policies

The consolidated 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 Chartered Professional Accountants of Canada.

The focus of Public Sector Accounting consolidated 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.

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

(a) Reporting entity

These 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 controlled by the Town.

Interdepartmental and organizational transactions and balances are eliminated.

(b) Government transfers

Government transfers are recognized in the consolidated 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.

(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.

MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
DECEMBER 31, 2014

1. Summary of significant accounting policies (continued)

(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

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 - 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. Fair value is determined by the Town's engineering staff using current expected construction costs of similar assets.

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.

(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 7).

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.

MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
DECEMBER 31, 2014

1. Summary of significant accounting policies (continued)

(g) Budget

The budget figures contained in these consolidated financial statements were approved by council on December 11, 2013 and the Minister of Local Government approved the Operating budgets on January 2, 2014.

(h) Reserve funds

Under the Municipalities Act of New Brunswick, Council may establish discretionary reserves for each type of its operating and capital funds. 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.

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.

(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.

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.



MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
DECEMBER 31, 2014

1. Summary of significant accounting policies (continued)

(i) Segmented information (continued)

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 consolidated 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 consolidated 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, accounts payable and accrued liabilities, long-term debt, accrued pension liability and accrued retirement allowances. 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.

2. Receivables

	2014	2013
Trade receivables - General operating	\$ 242,134	\$ 359,126
Water and sewer receivables - Utility operating	1,792,731	1,770,777
Deferred local improvement receivables	181,352	191,424
Federal/Provincial government - capital and operating contributions	641,156	89,783
Canada Revenue Agency (HST refundable)	<u>353,816</u>	<u>305,462</u>
	<u>\$ 3,211,189</u>	<u>\$ 2,716,572</u>

MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
DECEMBER 31, 2014

3. Accounts payable and accrued liabilities

	2014	2013
Accounts payable	\$ 2,142,796	\$ 1,715,845
Contractors' holdbacks	211,000	212,978
Interest on long-term debt	91,024	110,205
Deferred revenue	<u>116,189</u>	<u>94,568</u>
	<u>\$ 2,561,009</u>	<u>\$ 2,133,596</u>

4. 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 \$470,204 (2013 - \$380,480).

5. Long-term debt

New Brunswick Municipal Finance Corporation

Interest rate and due dates	Debenture #	2014	2013
<i>General capital</i>			
2.75% to 5.50% due 2014	AQ-08	\$ -	\$ 143,000
2.75% to 4.80% due 2014	AR-23	-	1,776,000
3.75% to 4.75% due 2015	AT-27	358,000	701,000
4.30% to 4.45% due 2016	AV-29	2,291,000	2,795,000
4.55% to 6.30% due 2017	AW-08	2,634,000	3,043,000
1.00% to 4.50% due 2019	BB-25	4,673,000	5,117,000
1.50% to 3.85% due 2020	BB-22	1,318,000	1,420,000
1.35% to 3.45% due 2021	BF-21	1,238,000	1,327,000
2.10% to 5.55% due 2023	AY-16, AZ-27	<u>3,567,000</u>	<u>4,110,000</u>
		<u>16,079,000</u>	<u>20,432,000</u>

New Brunswick Municipal Finance Corporation

Interest rate and due dates	Debenture #	2014	2013
<i>Utility capital</i>			
2.75% to 5.50% due 2014	AQ-09	-	28,000
4.30% to 4.45% due 2016	AV-30	1,113,000	1,183,000
4.30% to 4.55% due 2017	AW-09	530,000	692,000
2.10% to 4.95% due 2018	AY-17, AZ-28	953,000	1,166,000
1.50% to 3.85% due 2020	BD-23	1,386,000	1,493,000
1.25% to 3.70% due 2023	BJ-23	<u>273,000</u>	<u>300,000</u>
		<u>4,255,000</u>	<u>4,862,000</u>
		<u>\$ 20,334,000</u>	<u>\$ 25,294,000</u>

MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
DECEMBER 31, 2014

5. Long-term debt (continued)

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

2015	3,135,000
2016	5,070,000
2017	3,648,000
2018	2,456,000
2019	3,190,000

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

6. 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 14.2% of employees' earnings (2013 - 14.2%).

The contribution by the Town in 2014 was \$774,000 (2013 - \$731,000). Total benefit payments to retirees during the year were \$764,800 (2013 - \$715,500). A separate pension fund is maintained. The Town is in a net unfunded position at December 31, 2014 as follows:

	2014	2013
Fair market value of plan assets	\$ 22,045,200	\$ 19,576,400
Accrued benefit obligation	<u>(20,725,400)</u>	<u>(19,541,200)</u>
Funded status	1,319,800	35,200
Unamortized actuarial gains losses	<u>(2,160,000)</u>	<u>(1,253,100)</u>
Accounting pension liability	<u>\$ (840,200)</u>	<u>\$ (1,217,900)</u>

Actuarial valuations for accounting purposes are performed tri-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, 2013. The valuation results from 2013 were used to extrapolate forward using valuations assumptions, along with actual contributions and benefit payments made during the extrapolation period. The net unamortized actuarial gain of \$2,160,000 (2013 - \$1,253,100) is to be amortized on a straight-line basis over the expected average remaining service life of the employee group (13 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	2014 Mortality Table projected with CPM Improvement Scale B
Normal retirement age	Earlier of age 65 or Rule of 85

MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
DECEMBER 31, 2014

6. Accrued pension liability (continued)

	2014	2013
Current period benefit cost	\$ 823,667	\$ 782,476
Amortization of actuarial gain/losses	<u>(90,094)</u>	<u>25,942</u>
	733,573	808,418
Less: Employee contributions	<u>(327,285)</u>	<u>(308,872)</u>
Pension expense	406,288	499,546
Interest (recovery) cost on the average accrued benefit obligation	<u>(10,005)</u>	<u>87,106</u>
Total expenses related to pension	<u>\$ 396,283</u>	<u>\$ 586,652</u>

The employer contribution expense of approximately \$774,000 is included in the statement of operations as a component of department expenses. The change in pension liability of \$377,700 is recorded in general government services.

7. 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 non-union employees, 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 consolidated financial statements for this accrued retirement allowance is \$994,874 (2013 - \$996,768).

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
DECEMBER 31, 2014**

8. Schedule of Tangible Capital Assets

	Land	Land Improvements	Buildings	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Roads Streets Sidewalks Culverts	Water and Sewer Buildings	Water and Sewer Pipes	Total
Cost										
Balance, beginning of year	\$ 658,026	\$ 4,237,056	\$ 20,388,846	\$ 10,251,786	\$ 420,601	\$ 30,290	\$ 81,445,027	\$ 7,029,806	\$ 40,732,421	\$ 165,193,859
Add:										
Additions during the year	-	360,193	148,117	537,249	30,524	308,638	4,080,233	-	1,156,772	6,621,726
Less:										
Disposals during the year	-	-	-	(218,438)	-	(30,290)	(280,726)	-	(42,906)	(572,360)
Balance, end of year	<u>658,026</u>	<u>4,597,249</u>	<u>20,536,963</u>	<u>10,570,597</u>	<u>451,125</u>	<u>308,638</u>	<u>85,244,534</u>	<u>7,029,806</u>	<u>41,846,287</u>	<u>171,243,225</u>
Accumulated amortization										
Balance, beginning of year	-	2,047,928	5,095,538	6,685,376	185,157	-	23,541,799	1,357,534	10,445,110	49,358,442
Add:										
Amortization during the year	-	232,712	515,797	760,343	52,231	-	1,670,853	175,745	496,912	3,904,593
Less:										
Accumulated amortization on disposals	-	-	-	(183,453)	-	-	(226,570)	-	(39,436)	(449,459)
Balance, end of year	<u>-</u>	<u>2,280,640</u>	<u>5,611,335</u>	<u>7,262,266</u>	<u>237,388</u>	<u>-</u>	<u>24,986,082</u>	<u>1,533,279</u>	<u>10,902,586</u>	<u>52,813,576</u>
Net Book Value of Tangible Capital Assets December 31, 2014	<u>\$ 658,026</u>	<u>\$ 2,316,609</u>	<u>\$ 14,925,628</u>	<u>\$ 3,308,331</u>	<u>\$ 213,737</u>	<u>\$ 308,638</u>	<u>\$ 60,258,452</u>	<u>\$ 5,496,527</u>	<u>\$ 30,943,701</u>	<u>\$ 118,429,649</u>
Net Book Value of Tangible Capital Assets December 31, 2013	<u>\$ 658,026</u>	<u>\$ 2,189,128</u>	<u>\$ 15,293,308</u>	<u>\$ 3,566,410</u>	<u>\$ 235,444</u>	<u>\$ 30,290</u>	<u>\$ 57,903,228</u>	<u>\$ 5,672,272</u>	<u>\$ 30,287,311</u>	<u>\$ 115,835,417</u>

MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
DECEMBER 31, 2014

9. 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% (at December 31, 2014 - 2.25%) These amounts are secured by resolutions signed by the Municipal Capital Borrowing Board, Province of New Brunswick. As of December 31, 2014 the Town had no orders in council (OIC) outstanding with regards to the General Capital or Utility Capital Funds.

As of December 31, 2014 the Town's temporary advances net of amounts receivable in the utility capital fund were within its limits in accordance with the Municipalities Act of New Brunswick. As of December 31, 2014 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 for temporary advances in the general capital fund.

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. As of December 31, 2014 the Town had no net borrowing in the General Operating or Utility Operating funds.

In 2014, the Town has complied with these restrictions.

Restricted cash and receivable balances

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

	2014	2013
Riverview P.R.O. Kids	\$ 34,203	\$ 35,769
Gas Tax Fund	470,204	380,480
General Operating Reserve	320,665	317,159
General Capital Reserve	2,075,914	2,053,215
General Parkland Reserve	165,416	163,607
Utility Operating Reserve	101,072	99,967
Utility Capital Reserve	<u>788,905</u>	<u>443,763</u>
	<u>\$ 3,956,379</u>	<u>\$ 3,493,960</u>

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.

MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
SCHEDULE OF SEGMENT DISCLOSURES
DECEMBER 31, 2014

Schedule 1.

	<u>General Government</u>	<u>Protective</u>	<u>Transportation</u>	<u>Environmental Health & Development</u>	<u>Recreational and Cultural</u>	<u>Water & Sewer</u>	<u>Total 2014</u>	<u>Total 2013</u>
Revenue								
Property tax warrant	\$ 8,721,676	\$ 5,406,717	\$ 2,955,727	\$ 1,538,303	\$ 3,164,927	\$ -	\$ 21,787,350	\$ 20,642,822
Unconditional transfers from the Provincial Government	755,390	468,279	255,997	133,233	274,117	-	1,887,016	1,834,260
Other contributions and government transfers	-	275,000	2,026,360	-	-	1,400,988	3,702,348	7,864,834
Sales of services	350,124	-	58,619	-	933,376	-	1,342,119	1,318,430
Other revenue from own sources	306,741	101,663	-	174,559	-	3,521	586,484	806,161
Water and sewer revenue	-	-	-	-	-	6,261,963	6,261,963	5,885,590
Total revenue	<u>10,133,931</u>	<u>6,251,659</u>	<u>5,296,703</u>	<u>1,846,095</u>	<u>4,372,420</u>	<u>7,666,472</u>	<u>35,567,280</u>	<u>38,352,097</u>
Expenses								
Salaries and benefits	1,156,950	2,285,509	746,606	171,340	2,449,871	1,274,790	8,085,066	7,651,578
Goods and services	1,146,640	3,642,823	2,515,497	1,739,272	1,846,898	3,732,348	14,623,478	14,164,288
Amortization, disposals and transfers	286,993	243,147	2,119,383	-	519,686	735,384	3,904,593	3,702,174
Interest	103,480	64,815	606,641	22,045	62,661	190,810	1,050,452	1,196,778
Pension	(377,700)	-	-	-	-	-	(377,700)	(144,300)
Surplus (deficit)	<u>\$ 7,817,588</u>	<u>\$ 15,365</u>	<u>\$ (691,424)</u>	<u>\$ (86,562)</u>	<u>\$ (506,696)</u>	<u>\$ 1,733,140</u>	<u>\$ 8,281,391</u>	<u>\$ 11,781,579</u>

MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
CONSOLIDATED SCHEDULE OF REVENUES
DECEMBER 31, 2014

Schedule 2

	2014 Budget (Unaudited)	2014 Actual	2013 Actual
Other contributions and government transfers			
Infrastructure program	\$ -	\$ 35,976	\$ 89,783
Gas tax program	1,192,588	1,192,588	1,549,952
Contributed assets - developers	2,022,591	2,022,591	5,798,924
Fire-local service district	275,000	275,000	250,000
Roads and streets	163,000	160,518	160,518
Lane marking	15,000	15,675	15,657
	<u>\$ 3,668,179</u>	<u>\$ 3,702,348</u>	<u>\$ 7,864,834</u>
Sales of services			
Community centre	\$ 203,996	\$ 190,242	\$ 188,240
Swimming pools	160,000	146,755	169,154
Skating rinks and arenas	434,250	399,476	433,691
Other recreational programs	202,000	196,903	198,059
RCMP building lease	175,755	176,013	173,844
Fundy Station lease income	179,564	174,111	116,057
Other - culverts, curb cutting	17,000	58,619	39,385
	<u>\$ 1,372,565</u>	<u>\$ 1,342,119</u>	<u>\$ 1,318,430</u>
Other revenue from own sources			
Licences and permits			
Building	\$ 200,000	\$ 134,841	\$ 169,058
Animal	50,000	43,140	44,260
Planning commission	50,000	27,530	53,000
Fines			
Municipal By-Law	115,000	101,663	105,036
Other			
Local improvement levy	12,900	13,300	34,603
Development cost recovery	3,000	12,188	78,170
Miscellaneous	36,700	41,035	111,593
Loss on disposal of assets	-	(65,318)	(72,552)
Return on investments			
Interest on cash in bank	25,431	45,425	46,268
Interest on past due accounts	148,400	198,419	205,711
Interest on reserve funds	34,261	34,261	21,014
Money in lieu of parkland	-	-	10,000
	<u>\$ 675,692</u>	<u>\$ 586,484</u>	<u>\$ 806,161</u>
Water and sewerage revenue			
Water user charges - residential	\$ 2,551,500	\$ 2,559,271	\$ 2,419,586
- other	666,500	700,181	632,089
Sewer user charges - residential	1,064,700	1,065,624	986,926
- other	228,800	246,386	215,945
Sewer treatment levy	1,584,000	1,598,516	1,482,346
Water and sewer other revenue	58,300	91,985	148,698
	<u>\$ 6,153,800</u>	<u>\$ 6,261,963</u>	<u>\$ 5,885,590</u>

MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
CONSOLIDATED SCHEDULE OF EXPENSES
DECEMBER 31, 2014

Schedule 3

	2014 Budget (Unaudited)	2014 Actual	2013 Actual
General government services			
Legislative			
Mayor	\$ 32,290	\$ 30,612	\$ 28,556
Councilors	117,160	112,894	112,154
Other	<u>31,629</u>	<u>28,384</u>	<u>32,857</u>
	<u>181,079</u>	<u>171,890</u>	<u>173,567</u>
Administrative			
Manager	216,566	230,404	183,262
Office building	59,175	67,203	61,416
Solicitor	75,000	149,953	60,035
Other	<u>113,600</u>	<u>125,358</u>	<u>107,851</u>
	<u>464,341</u>	<u>572,918</u>	<u>412,564</u>
Financial and Human Resources			
Administrative	228,732	245,595	192,379
Accounting and human resources	<u>476,224</u>	<u>521,611</u>	<u>455,774</u>
	<u>704,956</u>	<u>767,206</u>	<u>648,153</u>
Other General Government Services			
Civic relations	46,800	48,241	59,726
Other general government services	13,425	11,918	21,033
Public liability insurance premiums	105,000	104,300	104,635
Grants to organizations	223,246	207,733	242,737
Assessment costs	270,500	270,499	256,290
Pension	(377,700)	(377,700)	(144,300)
Building expense - RCMP station	<u>136,700</u>	<u>148,885</u>	<u>124,563</u>
	<u>417,971</u>	<u>413,876</u>	<u>664,684</u>
	<u>\$ 1,768,347</u>	<u>\$ 1,925,890</u>	<u>\$ 1,898,968</u>
Protective services			
Police			
RCMP contract	<u>3,099,993</u>	<u>3,099,993</u>	<u>3,086,396</u>
	<u>3,099,993</u>	<u>3,099,993</u>	<u>3,086,396</u>
Fire			
Administration	\$ 2,145,895	\$ 2,085,974	\$ 2,050,201
Volunteers	79,500	74,574	71,226
Fire alarm system	29,500	18,786	16,475
Fire investigation and prevention	10,900	8,939	8,611
Training and development	52,400	53,715	56,953



MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
CONSOLIDATED SCHEDULE OF EXPENSES (CONTINUED)
DECEMBER 31, 2014

Schedule 3

	2014 Budget (Unaudited)	2014 Actual	2013 Actual
Protective services (continued)			
Fire (continued)			
Station and building	109,050	123,579	105,119
Firefighting equipment	135,500	158,457	143,879
Other	<u>8,400</u>	<u>11,220</u>	<u>10,611</u>
	<u>2,571,145</u>	<u>2,535,244</u>	<u>2,463,075</u>
Other			
Building inspection	112,075	108,462	106,915
Animal and pest control	101,539	103,281	102,136
Crosswalk guards	<u>79,500</u>	<u>81,354</u>	<u>83,846</u>
	<u>293,114</u>	<u>293,097</u>	<u>292,897</u>
	<u>\$ 5,964,252</u>	<u>\$ 5,928,334</u>	<u>\$ 5,842,368</u>
Transportation services			
Common Services			
Administration	\$ 794,589	\$ 746,606	\$ 710,676
General equipment	134,200	158,639	152,545
Workshops, yard and other buildings	<u>99,450</u>	<u>91,499</u>	<u>93,460</u>
	<u>1,028,239</u>	<u>996,744</u>	<u>956,681</u>
Road transport			
Engineering planning, supervision	<u>104,500</u>	<u>121,655</u>	<u>124,723</u>
Roads and streets			
Summer maintenance	416,500	359,013	255,934
Culverts and drainage ditches	26,200	27,008	48,651
Storm sewers	35,000	10,725	11,478
Street cleaning	3,000	1,648	3,067
Snow and ice removal	<u>675,680</u>	<u>700,080</u>	<u>763,503</u>
	<u>1,156,380</u>	<u>1,098,474</u>	<u>1,082,633</u>
Street lighting	<u>482,500</u>	<u>490,652</u>	<u>467,910</u>
Traffic services			
Street signs	20,500	6,520	33,643
Traffic lane marking	50,000	34,604	79,617
Traffic signals	6,000	10,962	7,590
Crosswalks	4,000	2,477	5,052
Public transit	<u>554,198</u>	<u>500,017</u>	<u>506,567</u>
	<u>634,698</u>	<u>554,580</u>	<u>632,469</u>
	<u>\$ 3,406,317</u>	<u>\$ 3,262,105</u>	<u>\$ 3,264,416</u>

MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
CONSOLIDATED SCHEDULE OF EXPENSES (CONTINUED)
DECEMBER 31, 2014

Schedule 3

	2014 Budget (Unaudited)	2014 Actual	2013 Actual
Environmental health and development services			
Environmental health services			
Garbage and waste collection	504,048	503,901	480,123
Landfill costs	<u>377,979</u>	<u>375,248</u>	<u>367,739</u>
	<u>882,027</u>	<u>879,149</u>	<u>847,862</u>
Environmental development services			
Community planning	328,107	330,852	310,669
Community development	120,048	122,548	90,000
Economic development and tourism	325,143	320,928	265,824
Beautification and land rehabilitation	<u>269,000</u>	<u>257,134</u>	<u>257,397</u>
	<u>1,042,298</u>	<u>1,031,462</u>	<u>923,890</u>
	<u>\$ 1,924,325</u>	<u>\$ 1,910,611</u>	<u>\$ 1,771,752</u>
Recreation and cultural services			
Administration	\$ 2,211,870	\$ 2,132,806	\$ 2,024,990
Community centres and halls	670,420	599,816	575,587
Swimming pools	369,197	360,555	350,040
Rinks and arenas	429,700	435,634	425,840
Parks and playgrounds	353,800	351,428	250,396
Other recreational facilities	183,300	163,750	166,775
Library	29,937	29,257	29,683
Fundy Chocolate River Station	164,679	196,741	182,318
Other	<u>25,950</u>	<u>26,782</u>	<u>22,510</u>
	<u>\$ 4,438,853</u>	<u>\$ 4,296,769</u>	<u>\$ 4,028,139</u>
Water supply			
Administration	\$ 103,871	\$ 110,732	\$ 87,369
Power and pumping	21,500	20,648	17,728
Billing and collection	80,507	90,631	77,675
Water purchased	1,347,000	1,299,239	1,240,309
Other	<u>1,275,493</u>	<u>1,224,317</u>	<u>1,215,934</u>
	<u>\$ 2,828,371</u>	<u>\$ 2,745,567</u>	<u>\$ 2,639,015</u>
Sewerage collection and disposal			
Administration	\$ 41,883	\$ 44,649	\$ 35,230
Sewerage treatment and disposal	1,583,055	1,583,055	1,513,998
Sewerage lift stations	1,500	5,019	7,679
Other	<u>711,376</u>	<u>628,845</u>	<u>670,001</u>
	<u>\$ 2,337,814</u>	<u>\$ 2,261,568</u>	<u>\$ 2,226,908</u>

MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
CONSOLIDATED SCHEDULE OF EXPENSES (CONTINUED)
DECEMBER 31, 2014

Schedule 3

	2014 Budget (Unaudited)	2014 Actual	2013 Actual
Interest and miscellaneous			
Interest on bank overdraft	\$ 20,823	\$ 10,649	\$ 16,408
Interest on long-term debt	<u>1,058,984</u>	<u>1,039,803</u>	<u>1,180,370</u>
	<u>\$ 1,079,807</u>	<u>\$ 1,050,452</u>	<u>\$ 1,196,778</u>

MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
SCHEDULES OF REGULATORY REPORTING REQUIREMENTS
DECEMBER 31, 2014

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 in Consolidated Financial Statements to Provincial Municipal Reporting Standards

	General Operating Fund	General Capital Fund	Water & Sewer Operating Fund	Water & Sewer Capital Fund	General Reserve Fund	Water & Sewer Reserve Fund	Total
2014 annual fund surplus per consolidated financial statements	\$ 7,720,395	\$ (514,742)	\$ 1,271,841	\$ (230,364)	\$ 28,014	\$ 6,247	\$ 8,281,391
<i>Adjustments to annual surplus (deficit) for funding requirements</i>							
Second previous year surplus	54,485	-	889	-	-	-	55,374
Transfers between funds							
Transfer from operating to capital	(7,074,346)	7,074,346	(1,210,080)	1,210,080	-	-	-
Transfer from reserve to operating	-	-	-	-	-	-	-
Transfer from operating to reserve	-	-	(340,000)	-	-	340,000	-
Recovery of accrued pension liability	(377,700)	-	-	-	-	-	(377,700)
Amortization expense	-	3,169,209	-	735,384	-	-	3,904,593
Contributed tangible capital assets	-	(1,814,191)	-	(280,400)	-	-	(2,094,591)
Water cost transfer	(300,000)	-	300,000	-	-	-	-
Total adjustments to 2014 annual surplus (deficit)	(7,697,561)	8,429,364	(1,249,191)	1,665,064	-	340,000	1,487,676
2014 annual surplus (deficit)	\$ 22,834	\$ 7,914,622	\$ 22,650	\$ 1,434,700	\$ 28,014	\$ 346,247	\$ 9,769,067

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
SCHEDULES OF REGULATORY REPORTING REQUIREMENTS
DECEMBER 31, 2014**

2. Statement of reserves

	General Operating	General Capital	General Parkland	Water & Sewer Operating	Water & Sewer Capital	Total 2014	Total 2013
Assets							
Cash	\$ 320,665	\$ 2,075,914	\$ 165,416	\$ 101,072	\$ 788,905	\$ 3,451,972	\$ 3,077,711
Surplus							
Accumulated Surplus, beginning of year	317,159	2,053,215	163,607	99,967	443,763	3,077,711	1,819,882
Annual surplus	3,506	22,699	1,809	1,105	345,142	374,261	1,257,829
Accumulated Surplus, end of year	\$ 320,665	\$ 2,075,914	\$ 165,416	\$ 101,072	\$ 788,905	\$ 3,451,972	\$ 3,077,711
Revenue							
Interest	3,506	22,699	1,809	1,105	5,142	34,261	21,014
Money in lieu of parkland	-	-	-	-	-	-	10,000
Transfers from operating funds	-	-	-	-	340,000	340,000	1,526,815
Expenses							
Transfer to operating funds	-	-	-	-	-	-	300,000
Annual surplus	\$ 3,506	\$ 22,699	\$ 1,809	\$ 1,105	\$ 345,142	\$ 374,261	\$ 1,257,829

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK
SCHEDULES OF REGULATORY REPORTING REQUIREMENTS
DECEMBER 31, 2014**

3. Reconciliation of Operating Budget to Public Sector Accounting for year ended December 31, 2014

	<u>Operating</u>	<u>Amortization</u>	<u>Other</u>	<u>Transfers</u>	<u>Total</u>
Revenue					
Warrant of assessment	\$ 21,787,350	\$ -	\$ -	\$ -	\$ 21,787,350
Unconditional transfers from Provincial Government	1,887,016	-	-	-	1,887,016
Other contributions and government transfers	453,000	-	3,215,179	-	3,668,179
Sales of services	1,372,565	-	-	-	1,372,565
Other revenue from own sources	641,431	-	34,261	-	675,692
Water and sewer revenue	6,453,800	-	(300,000)	-	6,153,800
	<u>32,595,162</u>	<u>-</u>	<u>2,949,440</u>	<u>-</u>	<u>35,544,602</u>
Expenses					
General government services	2,146,047	-	(377,700)	-	1,768,347
Protective services	6,264,252	-	(300,000)	-	5,964,252
Transportation services	3,406,317	-	-	-	3,406,317
Environment health and development	1,924,325	-	-	-	1,924,325
Recreation and cultural services	4,438,853	-	-	-	4,438,853
Water supply	2,828,371	-	-	-	2,828,371
Sewerage collection and disposal	2,337,814	-	-	-	2,337,814
Amortization of tangible capital assets	-	3,904,593	-	-	3,904,593
Interest expense and miscellaneous	1,079,807	-	-	-	1,079,807
	<u>24,425,786</u>	<u>3,904,593</u>	<u>(677,700)</u>	<u>-</u>	<u>27,652,679</u>
Fiscal services					
Transfer from operating fund to capital fund	8,184,750	-	-	(8,184,750)	-
Transfer from operating fund to reserve fund	40,000	-	-	(40,000)	-
Second previous years' surplus	(55,374)	-	-	55,374	-
	<u>8,169,376</u>	<u>-</u>	<u>-</u>	<u>(8,169,376)</u>	<u>-</u>
Annual surplus	<u>32,595,162</u>	<u>3,904,593</u>	<u>(677,700)</u>	<u>(8,169,376)</u>	<u>27,652,679</u>
	<u>\$ -</u>	<u>\$ (3,904,593)</u>	<u>\$ 3,627,140</u>	<u>\$ 8,169,376</u>	<u>\$ 7,891,923</u>