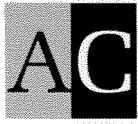


City of Charlottetown

Consolidated Financial Statements
December 31, 2014



May 11, 2015

Independent Auditor's Report

To His Worship the Mayor and the Members of the Council of the City of Charlottetown

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **City of Charlottetown**, which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statements of accumulated surplus, operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's 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 statements 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 consolidated financial statements. The procedures selected depend on the auditor's 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.

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 **City of Charlottetown** as at December 31, 2014, and the results of its operations, change in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Arsenault Best Cameron Ellis

Chartered Accountants

City of Charlottetown

Consolidated Statement of Financial Position


As at December 31, 2014

	2014	2013
	\$	\$
Financial assets		
Cash	7,460,653	10,569,967
Government contribution receivable	3,000,000	754,133
Accounts receivable	4,119,248	5,722,159
Restricted cash	3,999,516	3,999,516
Superannuation Plan net assets available for benefits (note 4)	77,567,698	69,913,371
Other assets	103,129	112,157
Total financial assets	96,250,244	91,071,303
Liabilities		
Bank loans and advances (note 6)	5,192,662	1,320,115
Accounts payable and accrued liabilities	10,396,437	9,092,127
Unearned revenue	471,631	119,841
Sick leave and post retirement benefits	4,484,355	4,073,486
Superannuation Plan accrued pension obligations (note 4)	78,572,600	73,297,800
Long-term debt (note 6)	74,649,628	79,610,411
Total liabilities	173,767,313	167,513,780
Net debt	(77,517,069)	(76,442,477)
Non-financial assets		
Tangible capital assets (notes 3, 6 and Schedule 2)	152,155,317	144,870,890
Prepaid expenses	658,122	234,822
Accumulated surplus	75,296,370	68,663,235

Approved by City Council


Mayor


Chair of Finance, Audit and Tendering Committee


Chief Administrative Officer

City of Charlottetown

Consolidated Statement of Accumulated Surplus For the year ended December 31, 2014

	2014 \$	2013 \$
Accumulated surplus - Beginning of year	68,663,235	60,843,667
Annual surplus	6,633,135	7,819,568
Accumulated surplus - End of year	<u>75,296,370</u>	<u>68,663,235</u>

City of Charlottetown

Consolidated Statement of Operations

For the year ended December 31, 2014

	2014	2014	2013
	Budget (Unaudited) \$	\$	\$
Revenues			
Operating			
Grants from the Province of Prince Edward Island	10,875,457	10,876,141	10,768,457
Property tax	29,432,622	29,161,633	28,238,510
Sale of goods and services			
Water and sewer	9,082,000	9,018,318	8,962,083
Parking	1,090,000	1,104,691	1,048,516
Police court	1,095,000	983,794	1,073,875
Licenses	494,000	379,034	477,822
Other income			
Recreation	584,950	534,848	523,529
Rentals	601,200	571,568	392,981
Interest and other	125,000	38,392	90,807
Government transfers			
Province of Prince Edward Island	140,000	140,000	140,000
Total revenues	53,520,229	52,808,419	51,716,580
Expenses (Schedule 1)			
Operating			
General government	6,081,760	5,848,788	5,582,756
Protective services	12,059,023	11,839,035	11,461,839
Street maintenance and environment	7,899,985	9,143,697	8,494,390
Recreation	5,051,500	4,962,543	4,812,666
Debt interest charges	2,111,589	2,107,432	1,966,203
Development, heritage and other	8,697,386	7,546,659	7,339,582
Water and sewer	8,052,196	7,843,146	7,340,246
	49,953,439	49,291,300	46,997,682
	3,566,790	3,517,119	4,718,898
Other revenues (expenses)			
Infrastructuring funding - Federal and Provincial governments	1,010,000	6,885,555	7,231,801
Disposals and rebates on tangible capital assets	-	3,309	(3,914)
Actuarial pension adjustments (note 4)	-	2,379,527	1,669,612
Amortization	(200,000)	(6,152,375)	(5,796,829)
	810,000	3,116,016	3,100,670
Annual surplus (note 7)	4,376,790	6,633,135	7,819,568

City of Charlottetown

Consolidated Statement of Changes in Net Debt For the year ended December 31, 2014

	Budget (Unaudited)	2014	2013
	\$	\$	\$
Annual surplus	4,376,790	6,633,135	7,819,568
Acquisition of tangible capital assets - general	(11,079,009)	(6,812,866)	(9,389,948)
Acquisition of tangible capital assets - water and sewer	(7,919,000)	(6,623,936)	(4,665,082)
Amortization of tangible capital assets - general	-	4,059,071	3,792,810
Amortization of tangible capital assets - water and sewer	200,000	2,093,304	2,004,019
Change in prepaid expenses - general	-	(465,900)	(86,517)
Change in prepaid expenses - water and sewer	-	42,600	42,600
	<u>(18,798,009)</u>	<u>(7,707,727)</u>	<u>(8,302,118)</u>
Increase in net debt	(14,421,219)	(1,074,592)	(482,550)
Net debt - Beginning of year	<u>(76,442,477)</u>	<u>(76,442,477)</u>	<u>(75,959,927)</u>
Net debt - End of year	<u>(90,863,696)</u>	<u>(77,517,069)</u>	<u>(76,442,477)</u>

City of Charlottetown

Consolidated Statement of Cash Flows For the year ended December 31, 2014

	2014	2013
	\$	\$
Cash provided by (used in)		
Operating activities		
Annual surplus	6,633,135	7,819,568
Amortization	6,152,375	5,796,829
Net change in non-cash working capital items		
Decrease (increase) in accounts receivable	1,602,911	(1,328,742)
Decrease in other assets	9,028	9,564
Increase in government contributions receivable	(2,245,867)	(754,133)
Increase in restricted cash	-	(100,421)
Increase (decrease) in accounts payable and accrued liabilities	1,304,310	(1,077,046)
Increase (decrease) in unearned revenue	351,790	(390,251)
Increase in sick leave and post retirement benefits	410,869	73,969
Increase in Superannuation Plan net assets available for benefits	(7,654,327)	(10,695,283)
Increase in Superannuation Plan accrued pension obligations	5,274,800	8,946,500
Increase in prepaid expenses	(423,300)	(43,917)
	<u>11,415,724</u>	<u>8,256,637</u>
Capital activities		
Acquisition of tangible capital assets - general - net	(6,812,866)	(9,389,948)
Acquisition of tangible capital assets - water and sewer - net	(6,623,936)	(4,665,082)
	<u>(13,436,802)</u>	<u>(14,055,030)</u>
Financing activities		
Issuance of long-term debt	256,925	11,780,597
Debt repayment	(5,217,708)	(4,743,863)
	<u>(4,960,783)</u>	<u>7,036,734</u>
Increase (decrease) in net cash	(6,981,861)	1,238,341
Net cash - Beginning of year	<u>9,249,852</u>	<u>8,011,511</u>
Net cash - End of year	<u>2,267,991</u>	<u>9,249,852</u>
Net cash consists of		
Cash	7,460,653	10,569,967
Bank loans and advances	(5,192,662)	(1,320,115)
	<u>2,267,991</u>	<u>9,249,852</u>

City of Charlottetown

Notes to Consolidated Financial Statements

December 31, 2014

1 Summary of significant accounting policies

The consolidated financial statements of the City of Charlottetown are prepared by management in accordance with generally accepted accounting standards for local governments, as recommended by the Public Sector Accounting Board of CPA Canada. Significant aspects of the accounting policies adopted by the City are as follows:

a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, changes in net debt and changes in financial position of the reporting entity. The reporting entity is comprised of all organizations and committees that are accountable to the City for administration of their financial affairs and resources, and which are owned or controlled by the City. This includes the Charlottetown Water and Sewer Corporation, City of Charlottetown Superannuation Plan and Charlottetown Water and Sewer Corporation Superannuation Plan. Interdepartmental and organizational transactions and balances are eliminated.

b) Basis of accounting

The accrual basis of accounting is used for all funds. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods and services and the creation of a legal obligation to pay.

c) Restricted cash

Cash is held in a separate account to fund sick leave and post-retirement benefits.

d) Tangible capital assets

Capital assets are recorded at cost. Capital assets are amortized using the straight-line method at the following annual rates:

City of Charlottetown	
Buildings	2.5%
Swimming pools	5%
Rinks/arenas/parks/fields	5%
Parking garages	2.5%
Parking meters	14.29%
Heavy equipment	20%
Motor vehicles	20%
Streets and sidewalks	4%
Storm sewers	2%
Street lights	4%
Charlottetown Water and Sewer Corporation	
Water system	2%
Sewer system	2%
Treatment plant	2%

City of Charlottetown

Notes to Consolidated Financial Statements

December 31, 2014

e) Sick leave and post retirement benefits

The City provides sick leave benefit plans allowing employees' unused sick leave to accumulate to a maximum of 75 days.

The City provides post retirement benefits to employees based on length of service and final earnings. The post retirement benefits are three months' salary upon completion of ten years of full time continuous service and an additional one month for each extra five years of service (to a maximum of six months).

The City has recorded sick leave and post retirement benefits as a liability based upon actuarially calculated benefit obligations.

f) Management estimates

The presentation of financial statements in conformity with Canadian generally accepted accounting standards for local governments requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Significant estimates, which include employee benefit liabilities and the estimated useful life of tangible capital assets, are based on management's best information and judgment. Actual results could differ from those reported.

g) Financial instruments

Financial instruments consist of cash, accounts receivable, restricted cash, Superannuation Plan net assets available for benefits, bank loans and advances, accounts payable and accrued liabilities, sick leave and post retirement benefits, Superannuation Plan accrued pension obligations and long-term debt.

h) Fair value of financial instruments

The City has evaluated the fair value of its financial instruments based on the current interest rate environment, market values, and the actual prices of financial instruments with similar terms. The carrying value of financial instruments is considered to approximate fair value.

2 Related entities

a) Charlottetown Civic Centre Management Inc.

Charlottetown Civic Centre Management Inc. was incorporated in 1999 to manage and operate the Civic Centre complex. Of the seven member Board of Directors of Charlottetown Civic Centre Management Inc., the City appoints four directors, three of whom are appointed in consultation with the Province of Prince Edward Island.

The City records its interest in Charlottetown Civic Centre Management Inc. as expenditures when they are made. The arena portion of the Civic Centre complex is recorded in the City's physical assets as it was constructed and is owned by the City.

City of Charlottetown

Notes to Consolidated Financial Statements

December 31, 2014

In 2014, the City provided operating funding of \$785,240 (2013 - \$777,240) to Charlottetown Civic Centre Management Inc.

Condensed financial information for Charlottetown Civic Centre Management Inc. for the year ended December 31, 2014 is as follows:

	2014	2013
	\$	\$
Statement of Financial Position		
Assets		
Current assets	434,460	324,029
Capital and other assets	325,295	330,040
	<u>759,755</u>	<u>654,069</u>
Liabilities		
Current liabilities and deferred capital contributions	459,664	560,910
Net Assets	<u>300,091</u>	<u>93,159</u>
	<u>759,755</u>	<u>654,069</u>
Statement of Operations and Statement of Changes in Net Assets		
	2014	2013
	\$	\$
Revenue		
Operating grants - City of Charlottetown	785,240	777,240
- Province of Prince Edward Island	186,000	186,000
Operating revenue	816,293	592,938
Other	123,532	-
	<u>1,911,065</u>	<u>1,556,178</u>
Expenses	<u>1,704,133</u>	<u>1,534,082</u>
Excess revenue for the year	206,932	22,096
Net assets - Beginning of year	<u>93,159</u>	<u>71,063</u>
Net assets - End of year	<u>300,091</u>	<u>93,159</u>

b) Capital Area Recreation Inc.

Capital Area Recreation Inc. was incorporated July 10, 2001 to develop, own and operate a joint recreation facility for the Capital area of Prince Edward Island. The City of Charlottetown appoints four members of the seven-member Board of Directors of Capital Area Recreation Inc. Capital Area Recreation Inc. is a registered charity under the provisions of the Income Tax Act.

The City records its interest in Capital Area Recreation Inc. as expenditures when they are made.

City of Charlottetown

Notes to Consolidated Financial Statements

December 31, 2014

The City holds a first charge leasehold mortgage on the Capital Area Recreation Inc. facility. The City has provided to Capital Area Recreation Inc. a total of \$16,653,433 in capital funding since its incorporation in 2001.

In 2014, the City provided operating funding of \$564,764 (2013 - \$524,469) to Capital Area Recreation Inc. In addition, the City provided a property tax reduction of \$133,219 (2013 - \$133,130) to Capital Area Recreation Inc.

Condensed financial information for Capital Area Recreation Inc. for the year ended December 31, 2014 is as follows:

Statement of Financial Position	2014	2013
	\$	\$
Assets		
Current assets	490,842	221,400
Facility and equipment	14,586,618	15,362,063
	<u>15,077,460</u>	<u>15,583,463</u>
Liabilities		
Current liabilities and short-term debt	671,893	477,396
Deferred capital funding	15,018,418	15,765,429
	<u>15,690,311</u>	<u>16,242,825</u>
Net Liabilities		
Invested in capital assets	(517,748)	(513,052)
Unrestricted	(95,103)	(146,310)
	<u>(612,851)</u>	<u>(659,362)</u>
	<u>15,077,460</u>	<u>15,583,463</u>

City of Charlottetown

Notes to Consolidated Financial Statements

December 31, 2014

Statement of Operations and Statement of Changes in Net Liabilities	2014 \$	2013 \$
Revenue		
Operating funding - City of Charlottetown	564,764	524,469
- University of Prince Edward Island and Town of Stratford	99,390	93,369
Operating revenue	<u>2,921,053</u>	<u>2,837,246</u>
	3,585,207	3,455,084
Expenses	<u>3,538,696</u>	<u>3,422,069</u>
Excess revenue for the year	46,511	33,015
Net liabilities - Beginning of year	<u>(659,362)</u>	<u>(692,377)</u>
Net liabilities - End of year	<u>(612,851)</u>	<u>(659,362)</u>

Note 14 to the financial statements of Capital Area Recreation Inc. is a going concern note that states "... the company's ability to continue as a going concern is dependant upon the continued support of the company's funding partners to provide operating funding."

City of Charlottetown

Notes to Consolidated Financial Statements

December 31, 2014

3 Tangible capital assets

			2014	2013
	Cost	Accumulated	Net	Net
	\$	amortization	\$	\$
		\$		
City of Charlottetown				
Land	10,743,468	-	10,743,468	10,743,468
Buildings	21,662,108	8,490,930	13,171,178	12,952,341
Swimming pools	182,683	69,909	112,774	120,292
Rinks/arenas/parks/fields	20,399,711	16,019,394	4,380,317	4,227,317
Parking garages	15,374,038	6,926,733	8,447,305	8,800,797
Parking meters	584,906	584,906	-	-
Heavy equipment	7,255,365	5,656,871	1,598,494	1,911,822
Motor vehicles	2,570,096	2,171,969	398,127	488,276
Streets and sidewalks	30,073,484	15,783,625	14,289,859	13,078,130
Storm sewers	26,565,150	4,809,955	21,755,195	20,002,719
Street lights	3,238,546	1,808,270	1,430,276	1,248,036
	138,649,555	62,322,562	76,326,993	73,573,198
Charlottetown Water and Sewer Corporation				
Water system	44,323,143	16,843,177	27,479,966	25,773,862
Sewer system	33,802,391	8,717,383	25,085,008	21,678,650
Treatment plant	29,601,082	6,337,732	23,263,350	23,845,180
	107,726,616	31,898,292	75,828,324	71,297,692
	246,376,171	94,220,854	152,155,317	144,870,890

4 Pension Plans

The City maintains a defined benefit pension plan for its employees. The Water and Sewer Corporation maintains a defined benefit pension plan for permanent employees of that Corporation who entered the plan prior to its closing in 2000. The plans specify pension and death benefits to employees based on length of service and earnings.

Actuarial valuations for the Superannuation Plans are completed every three years. The most recent actuarial valuations of the City of Charlottetown Superannuation Plan and the Charlottetown Water and Sewer Corporation Superannuation Plan were completed as at December 31, 2013. Based upon the extrapolated information provided by the actuaries, the actuarial present value of the pension assets and accrued pension obligations as at December 31, 2014 for the City of Charlottetown Superannuation Plan is \$66,757,400 and \$69,071,300 respectively. The actuarial present value of the pension assets and accrued pension obligations as at December 31, 2014 for the Charlottetown Water and Sewer Corporation Superannuation Plan is \$8,785,000 and \$9,501,300, respectively. An actuarial deficit of \$4,751,600 for the City of Charlottetown Superannuation Plan and an actuarial deficit of \$716,300 for the Charlottetown Water and Sewer Corporation Superannuation Plan existed at that date.

City of Charlottetown

Notes to Consolidated Financial Statements

December 31, 2014

The net change in the City of Charlottetown Superannuation Plan and the Charlottetown Water and Sewer Corporation Superannuation Plan net assets available for benefits less accrued pension obligations is recorded on the Statement of Operations as "Actuarial pension adjustments".

The pension obligations are combined on the consolidated Statement of Financial Position and shown under Liabilities. The offsetting investments held by the two Superannuation Plans against these liabilities are shown under Assets.

Both Superannuation Plans are registered pension plans which allow employee contributions to be tax deductible by the employee and investment earnings in the investment funds to be tax sheltered. In order to maintain their registered status, the pension administrators must administer the plans in accordance with rules set out by Canada Revenue Agency.

Separate audited financial statements of the Plans' assets, liabilities and operations have been prepared for December 31, 2014.

5 Commitments and contingencies

a) Property tax relief

For development and cultural reasons, the City has agreed to reduce its portion of property taxes for the Confederation Centre of the Arts, the Charlottetown Airport Authority, Capital Area Recreation Inc. and various organizations under the Development Tax Incentive Program and the Heritage Grant Program. For the year ended December 31, 2014, this amounted to total property tax reductions of \$1,285,444 (2013 - \$994,707).

b) Legal matters

The City is involved in certain legal disputes concerning grievance and other labour disputes. No amounts have been accrued in the records of the City as the outcomes of the disputes are uncertain.

c) Capital Area Recreation Inc.

The City has guaranteed a 4% term loan of up to \$800,000 for Capital Area Recreation Inc. for the sole purpose of implementing the recommendations within their energy audit. As of December 31, 2014, the balance of this loan is \$444,252 (2013 - \$512,819).

The City has guaranteed a demand operating loan of up to \$400,000 for Capital Area Recreation Inc. for general operations. As of December 31, 2014, the balance of this loan is \$79,954 (2013 - \$15,927).

The City has guaranteed a 4.6% loan of up to \$103,000 for Capital Area Recreation Inc. for the purchase of a new zamboni. As of December 31, 2014, the balance of this loan is \$27,203 (2013 - \$41,170).

d) Charlottetown Civic Centre Management Inc.

As per a draft revised agreement on January 1, 2011, the City of Charlottetown has agreed to pay an annual grant of \$762,000 to Charlottetown Civic Centre Management Inc. This funding will be adjusted annually by the negotiated salary increases for that portion of funding that relates to City salaries.

City of Charlottetown

Notes to Consolidated Financial Statements

December 31, 2014

e) Operating leases

The following is a schedule of the future minimum lease payments on 8 operating leases expiring between December 2016 and January 2019:

	\$
Year ended December 31, 2015	49,632
2016	46,843
2017	35,330
2018	26,683
2019	20,495

f) Transit service

A resolution of City Council on December 12, 2011 approved entering into an agreement with Trius Tours for the purpose of providing transit service for the City of Charlottetown. The agreement is for the period beginning January 30, 2012 and ending on September 30, 2015 with two options of renewal for periods of 10 years each. The annual subsidy provided by the City to Trius Tours is \$872,095 for 2014. This amount will increase every year by the Consumer Price Index until the agreement expires.

g) Miltonvale Wellfield Development

Through a resolution of City Council on July 29, 2014, the City has committed to spend \$2,266,258 on the Miltonvale Wellfield Development. \$1,174,622 of this project will be funded by the Canada-Prince Edward Island Building Canada Fund.

At December 31, 2014, \$1,630,011 of the approved costs for this project have been incurred.

6 Long-term debt

	2014	2013
	\$	\$
City of Charlottetown		
Loans and mortgages with interest rates from 2.26% to 4.77% (weighted average rate of 3.662%; 2013 - 3.643%), maturing at various dates between 2015 and 2031	38,479,183	40,813,321
Obligations under capital leases, with interest rates at 2.292% and 3.996% (weighted average rate of 3.134%; 2013 - 3.16%), maturing at various dates in 2015 and 2021	2,359,746	2,582,347
Loans and mortgages issued in 2004, with an interest rate of 5.79%, maturing in June 2024	8,608,723	9,272,201
	<hr/> 49,447,652	<hr/> 52,667,869

City of Charlottetown

Notes to Consolidated Financial Statements

December 31, 2014

Charlottetown Water and Sewer Corporation

Debentures issued in 1994, matured during the year	-	210,000
Loans and mortgages with interest rates from 2.26% to 4.77% (weighted average rate of 3.81%; 2013 - 3.75%), maturing at various dates between 2015 and 2031	21,368,321	22,622,540
Debentures issued in 2004, with an interest rate of 5.79%, maturing in July 2024	3,833,655	4,110,002
	<hr/>	<hr/>
	25,201,976	26,942,542
	<hr/>	<hr/>
	74,649,628	79,610,411

The other obligations under capital lease are secured by certain vehicles.

The bank advances, loans, mortgages and debentures are unsecured.

Principal and interest amounts due in each of the next five years are as follows:

	Principal	Interest	Total
	\$	\$	\$
Year ended December 31, 2015	5,108,091	3,037,879	8,145,970
2016	5,028,563	2,838,001	7,866,564
2017	5,130,901	2,634,155	7,765,056
2018	5,295,229	2,422,116	7,717,345
2019	5,457,464	2,205,069	7,662,533

City of Charlottetown

Notes to Consolidated Financial Statements

December 31, 2014

7 Reconciliation of City budget to financial statements

	Original 2014 Budget \$	2014 \$	2013 \$
Surplus (deficit) from City budget document	219	(921,848)	721,637
Add: Debt repayment (principal) - general	3,179,256	3,428,033	3,052,529
Debt repayment (principal) - water and sewer	1,931,742	1,789,675	1,691,529
Late adjustment to revenue	-	(220,398)	220,398
Infrastructure funding - Federal and Provincial government	-	5,875,555	6,221,801
Disposals and rebates on tangible capital assets	-	3,309	(3,914)
Retroactive pay accrual	-	1,123,000	-
Allocation of debt repayment to be made	-	166,390	184,746
Change in reserve balance	-	-	70,417
Actuarial pension adjustment	-	2,379,527	1,669,612
	5,111,217	13,623,243	13,828,755
Less: Surplus from prior year, per budget	(721,637)	(720,938)	(567,872)
Change in reserve balance	(12,790)	(175,512)	-
Amortization - general	-	(4,059,071)	(3,792,810)
Increase in amortization - water and sewer	-	(1,893,304)	(1,626,019)
Difference recording of capital assets	-	(134,952)	(13,979)
Other	-	(6,331)	(8,312)
	(734,427)	(6,990,108)	(6,008,992)
Annual surplus for the year, per financial statements	4,376,790	6,633,135	7,819,763

City of Charlottetown

Consolidated Schedule of Expenses by Type
For the year ended December 31, 2014

Schedule 1

	2014			
	Salaries and Benefits \$	Operating Goods and Services \$	Debt \$	Total \$
Operating expenditures				
General government	2,284,243	3,564,545	-	5,848,788
Protective services	9,503,700	2,335,335	-	11,839,035
Street maintenance and environment	2,450,572	6,693,125	-	9,143,697
Recreation	2,202,710	2,759,833	-	4,962,543
Debt interest charges	-	-	2,107,432	2,107,432
Development, heritage and other	2,058,544	5,488,115	-	7,546,659
Water and sewer	3,426,486	3,344,886	1,071,774	7,843,146
	21,926,255	24,185,839	3,179,206	49,291,300
	2013			
	Salaries and Benefits \$	Operating Goods and Services \$	Debt \$	Total \$
Operating expenditures				
General government	2,292,913	3,289,843	-	5,582,756
Protective services	9,212,020	2,249,819	-	11,461,839
Street maintenance and environment	2,241,707	6,252,683	-	8,494,390
Recreation	2,187,191	2,625,475	-	4,812,666
Debt interest charges	-	-	1,966,203	1,966,203
Development, heritage and other	1,949,975	5,389,607	-	7,339,582
Water and sewer	3,116,660	3,141,221	1,082,365	7,340,246
	21,000,466	22,948,648	3,048,568	46,997,682

City of Charlotte

Schedule of Tangible Capital Assets For the year ended December 31, 2014

Schedule 2

	Cost 2014					Accumulated amortization 2014			2014
	Beginning \$	Additions \$	Disposals/ Transfers \$	Ending \$	Beginning \$	Amortization \$	Ending \$	Net book value \$	
City of Charlotte									
Land	10,743,468	-	-	10,743,468	-	-	-	10,743,468	
Buildings	20,903,382	758,726	-	21,662,108	7,951,041	539,889	8,490,930	13,171,178	
Swimming pools	182,683	-	-	182,683	62,391	7,518	69,909	112,774	
Rinks/arenas/parks/fields	19,856,834	542,877	-	20,399,711	15,629,517	389,877	16,019,394	4,380,317	
Parking garages	15,343,179	30,859	-	15,374,038	6,542,382	384,351	6,926,733	8,447,305	
Parking meters	584,906	-	-	584,906	584,906	-	584,906	-	
Heavy equipment	6,768,837	486,528	-	7,255,365	4,857,015	799,856	5,656,871	1,598,494	
Motor vehicles	2,410,449	159,647	-	2,570,096	1,922,173	249,796	2,171,969	398,127	
Streets and sidewalks	27,814,816	2,258,668	-	30,073,484	14,736,686	1,046,939	15,783,625	14,289,859	
Storm sewers	24,281,371	2,283,779	-	26,565,150	4,278,652	531,303	4,809,955	21,755,195	
Street lights	2,946,764	291,782	-	3,238,546	1,698,728	109,542	1,808,270	1,430,276	
	131,836,689	6,812,866	-	138,649,555	58,263,491	4,059,071	62,322,562	76,326,993	
Charlotte Water and Sewer Corporation									
Water system	41,744,325	2,578,818	-	44,323,143	15,970,463	872,714	16,843,177	27,479,966	
Sewer system	29,730,165	4,072,226	-	33,802,391	8,051,515	665,868	8,717,383	25,085,008	
Treatment plant	29,628,190	345,889	(372,997)	29,601,082	5,783,010	554,722	6,337,732	23,263,350	
	101,102,680	6,996,933	(372,997)	107,726,616	29,804,988	2,093,304	31,898,292	75,828,324	
	232,939,369	13,809,799	(372,997)	246,376,171	88,068,479	6,152,375	94,220,854	152,155,317	

City of Charlotte

Schedule of Tangible Capital Assets For the year ended December 30, 2013

Schedule 2

	Cost 2013				Accumulated amortization 2013			2013
	Beginning	Additions	Disposals/ Transfers	Ending	Beginning	Amortization	Ending	Net book value
	\$	\$	\$	\$	\$	\$	\$	\$
City of Charlotte								
Land	10,614,487	128,981	-	10,743,468	-	-	-	10,743,468
Buildings	20,858,905	44,477	-	20,903,382	7,431,939	519,102	7,951,041	12,952,341
Swimming pools	182,683	-	-	182,683	54,873	7,518	62,391	120,292
Rinks/arenas/parks/fields	18,980,050	876,784	-	19,856,834	15,266,783	362,734	15,629,517	4,227,317
Parking garages	15,343,179	-	-	15,343,179	6,158,803	383,579	6,542,382	8,800,797
Parking meters	584,906	-	-	584,906	584,881	25	584,906	-
Heavy equipment	5,274,172	1,494,665	-	6,768,837	4,154,464	702,551	4,857,015	1,911,822
Motor vehicles	2,032,490	377,959	-	2,410,449	1,665,203	256,970	1,922,173	488,276
Streets and sidewalks	23,912,853	3,901,963	-	27,814,816	13,762,093	974,593	14,736,686	13,078,130
Storm sewers	21,906,803	2,374,568	-	24,281,371	3,793,025	485,627	4,278,652	20,002,719
Street lights	2,756,213	190,551	-	2,946,764	1,598,617	100,111	1,698,728	1,248,036
	122,446,741	9,389,948	-	131,836,689	54,470,681	3,792,810	58,263,491	73,573,198
Charlotte Water and Sewer Corporation								
Water system	41,498,355	245,970	-	41,744,325	15,143,571	826,892	15,970,463	25,773,862
Sewer system	25,389,825	4,340,340	-	29,730,165	7,466,952	584,563	8,051,515	21,678,650
Treatment plant	29,549,418	78,772	-	29,628,190	5,190,446	592,564	5,783,010	23,845,180
	96,437,598	4,665,082	-	101,102,680	27,800,969	2,004,019	29,804,988	71,297,692
	218,884,339	14,055,030	-	232,939,369	82,271,650	5,796,829	88,068,479	144,870,890