

MUNICIPALITY OF QUISPAMISIS
CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014



MUNICIPALITY OF QUISPAMISIS

DECEMBER 31, 2014

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SAUNDERS
DOYLE & CO.**
Chartered Accountants

Independent member of DFK International

INDEPENDENT AUDITORS' REPORT

To His Worship The Mayor and Members of Council
Municipality of Quispamsis, New Brunswick

We have audited the consolidated statement of financial position of the Municipality of Quispamsis as at December 31, 2014, and the consolidated statements of operations, 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

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.

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 financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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.

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

Saint John Partners
Andrew P. Logan Peter L. Logan
Jean-Marc Poirier



Fredericton Partners
Brian J. Saunders David H. Bradley
Jeffrey E. Saunders John H. Landry
T.J. Smith Kenneth H. Kyle

Independent Auditors' Report to His Worship The Mayor and Members of Council of the Municipality of Quispamsis (cont'd)

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Municipality of Quispamsis as at December 31, 2014, and the results of its operations and changes in net debt for the year then ended in accordance with Canadian public sector accounting standards.



CHARTERED PROFESSIONAL ACCOUNTANTS

Saint John, NB
July 21, 2015

MUNICIPALITY OF QUISPAMISIS

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u> Budget (Note 22)	<u>2014</u> Actual	<u>2013</u> Actual
REVENUE (Note 2)			
Property tax warrant	\$ 19,441,242	\$ 19,441,236	\$ 19,052,928
Unconditional grant	425,637	425,640	573,120
Conditional government transfers (Note 23)	35,000	1,306,815	4,905,322
Services other governments	47,063	47,291	47,063
Other own source (Note 23)	1,334,743	1,548,775	1,443,519
Water and sewer user fees	2,217,274	2,199,600	2,133,177
Public donations and sponsorships	115,944	115,511	126,201
Sundry income	<u>288,803</u>	<u>367,431</u>	<u>420,867</u>
	<u>23,905,706</u>	<u>25,452,299</u>	<u>28,702,197</u>
EXPENDITURE (Notes 2 and 23)			
General government services	2,208,177	2,086,952	2,069,809
Protective services	6,298,769	6,190,109	6,153,619
Transportation services	6,955,455	6,910,365	7,100,269
Environmental health services	176,580	181,637	177,205
Environmental development services	374,114	375,260	378,676
Community services	5,971,052	5,891,605	5,737,482
Utility services	<u>2,669,127</u>	<u>2,601,514</u>	<u>2,083,981</u>
	<u>24,653,274</u>	<u>24,237,442</u>	<u>23,701,041</u>
ANNUAL SURPLUS (DEFICIT) FOR THE YEAR	\$ <u>(747,568)</u>	1,214,857	5,001,156
ACCUMULATED SURPLUS - BEGINNING OF YEAR		81,531,204	76,341,033
CHANGE IN PERCENTAGE OWNERSHIP OF CONTROLLED ENTITIES		<u>(1,413)</u>	<u>189,015</u>
ACCUMULATED SURPLUS - END OF YEAR		<u>\$ 82,744,648</u>	<u>\$ 81,531,204</u>

MUNICIPALITY OF QUISPAMISIS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

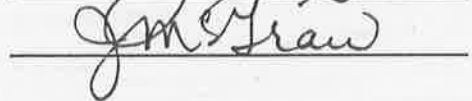
AS AT DECEMBER 31, 2014

	2014	2013
FINANCIAL ASSETS		
Cash and cash equivalents (Notes 2, 3 and 4)	\$ 4,209,334	\$ 2,350,396
Accounts receivable (Notes 2 and 3)		
General	759,715	669,752
Federal Government and its agencies (Note 5)	1,524,131	2,001,303
Province of New Brunswick (Note 6)	122,000	247,501
Investments (Notes 2, 3 and 7)	<u>439,866</u>	<u>357,040</u>
	<u>\$ 7,055,046</u>	<u>\$ 5,625,992</u>
LIABILITIES		
Bank loan (Notes 2, 3 and 14)	\$ -	\$ 1,950,000
Accounts payable and accrued liabilities (Notes 2 and 3)	2,864,995	4,606,055
Deferred revenue	1,014	-
Long term debt (Notes 2, 3 and 8)	32,549,222	29,024,725
Accrued pension obligation (Notes 2 and 11)	1,831,747	2,148,661
Accrued sick leave (Notes 2 and 10)	532,601	493,603
Accrued retirement allowance (Notes 2 and 11)	<u>643,068</u>	<u>646,323</u>
	<u>38,422,647</u>	<u>38,869,367</u>
NET DEBT	<u>(31,367,601)</u>	<u>(33,243,375)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Notes 2 and 16)	164,941,787	160,706,627
Accumulated amortization (Notes 2 and 16)	<u>(51,334,995)</u>	<u>(46,337,305)</u>
	113,606,792	114,369,322
Inventory (Note 2)	123,711	59,695
Prepaid expenses	35,625	36,277
Unamortized debenture costs	<u>346,121</u>	<u>309,285</u>
	<u>114,112,249</u>	<u>114,774,579</u>
ACCUMULATED SURPLUS	<u>\$ 82,744,648</u>	<u>\$ 81,531,204</u>

CONTINGENT LIABILITY (Note 12)

APPROVED BY:


Mayor


Treasurer

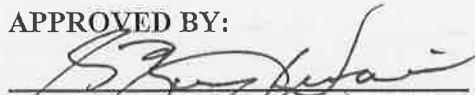
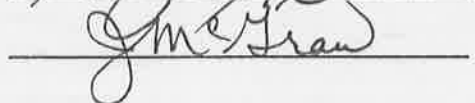
MUNICIPALITY OF QUISPAMISIS

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

AS AT DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
Annual surplus	\$ 1,214,857	\$ 5,001,156
Acquisition of tangible capital assets	(4,709,389)	(14,058,238)
Proceeds on disposal of tangible capital assets	64,578	37,838
Amortization of tangible capital assets	5,378,967	5,003,331
Change in percentage ownership of tangible capital assets	1,749	(270,488)
Loss on disposal of tangible capital assets	<u>26,625</u>	<u>454,471</u>
	1,977,387	(3,831,930)
Acquisition of inventories	(123,711)	(59,695)
Acquisition of prepaid assets	(35,625)	(36,277)
Acquisition of unamortized debenture costs	(346,121)	(309,285)
Consumption of inventories	59,695	91,716
Use of prepaid assets	36,277	40,098
Consumption of unamortized debenture costs	<u>309,285</u>	<u>232,805</u>
	1,877,187	(3,872,568)
Change in percentage ownership	<u>(1,413)</u>	<u>189,015</u>
Decrease (increase) in net debt	1,875,774	(3,683,553)
Net debt - beginning of year	<u>(33,243,375)</u>	<u>(29,559,822)</u>
Net debt - end of year	<u><u>\$ (31,367,601)</u></u>	<u><u>\$ (33,243,375)</u></u>

APPROVED BY:


 _____ Mayor

 _____ Treasurer

MUNICIPALITY OF QUISPAMISIS

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
OPERATING TRANSACTIONS		
Annual surplus	\$ 1,214,857	\$ 5,001,156
Loss on disposal of tangible capital assets	26,625	454,471
Amortization of tangible capital assets	5,378,967	5,003,331
Accounts receivable - General	(89,963)	492,613
Receivable - Federal Government and its agencies	477,172	1,062,239
Receivable - Province of New Brunswick	125,501	(247,501)
Accounts payable and accrual liabilities	(1,741,060)	(896,366)
Deferred revenue	1,014	(883,979)
Change in accrued sick leave	38,998	44,168
Change in accrued pension obligation	(316,914)	(61,527)
Change in accrued retirement allowance	(3,255)	34,485
Change in inventory/prepaid expenses/unamortized debenture costs	<u>(100,200)</u>	<u>(40,638)</u>
	<u>5,011,742</u>	<u>9,962,452</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(4,709,389)	(14,058,238)
Change in percentage ownership of capital assets	1,749	(270,488)
Proceeds on disposal of tangible capital assets	<u>64,578</u>	<u>37,838</u>
	<u>(4,643,062)</u>	<u>(14,290,888)</u>
FINANCING TRANSACTION		
Bank loan	(1,950,000)	(50,000)
Long term debt	<u>3,524,497</u>	<u>5,443,653</u>
	<u>1,574,497</u>	<u>5,393,653</u>
INVESTING TRANSACTION		
Increase in investments	<u>(82,826)</u>	<u>(91,701)</u>
CHANGE IN PERCENTAGE OWNERSHIP	<u>(1,413)</u>	<u>189,015</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,858,938	1,162,531
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,350,396</u>	<u>1,187,865</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,209,334</u>	<u>\$ 2,350,396</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

1. PURPOSE OF THE ORGANIZATION

Quispamsis ("the Municipality") was incorporated as a Municipality by the Province of New Brunswick Municipalities Act on January 1, 1998 and was approved for status as a Municipality effective January 1, 1998 by an amendment of New Brunswick Regulation 85-6 under the Municipalities Act. As a municipality, Quispamsis is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Municipality are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local government, as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

The focus of Public Sector Accounting Standards ("PSAS") financial statements is on the financial position of the Municipality and the changes thereto. The consolidated statement of financial position includes all of the assets and liabilities of the Municipality and its jointly controlled entities.

Significant aspects of the accounting policies adopted by the Municipality are as follows:

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net debt and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality and which are owned or jointly controlled by the Municipality.

The entities included in the consolidated financial statements are as follows:

- Municipality of Quispamsis
- Kennebecasis Regional Joint Board of Police Commissioners (KRJBPC)
- Kennebecasis Valley Fire Department Inc. (KVFD)
- Kennebecasis Public Library

Interdepartmental and organizational transactions and balances are eliminated.

The jointly controlled entities have been proportionately consolidated at the following rates:

	<u>2014</u>	<u>2013</u>
Kennebecasis Regional Joint Board of Police Commissioners	58.98%	58.93%
Kennebecasis Valley Fire Department Inc.	58.35%	58.43%
Kennebecasis Public Library	59.95%	59.95%

Changes in ownership percentages have been accounted for as an adjustment to accumulated surplus.

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

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

Budget

The budget figures contained in these consolidated financial statements were approved by Council on January 7, 2014 and the Minister of Local Government on March 26, 2014.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equity instruments with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized costs, and tested for impairment at each reporting date. Transactions costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and balances with banks and short term deposits with original maturities of three months or less.

Revenue Recognition

Unrestricted revenue is recorded on an accrual basis and is recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Other revenue is recorded when it is earned.

Expenditure Recognition

Expenditures are recorded on an accrual basis.

Measurement Uncertainty

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results may differ from those estimates.

Examples of significant estimates include:

- the allowance for doubtful accounts;
- providing for amortization of tangible capital assets;
- the estimated useful lives of tangible capital assets;
- the recoverability of tangible capital assets; and
- post employment benefits liability.

Inventory

Inventories are valued at the lower of cost and net realizable value with cost being determined on the first in, first out basis.

MUNICIPALITY OF QUISPAMSI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

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

Capital Reserves

The use of the Capital Reserve Funds is restricted to capital acquisitions. The intention is to use these funds for future capital acquisitions and reduce future borrowing requirements.

Operating Reserves

The use of these funds is restricted to payment of operating expenses.

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital asset, less any residual value when applicable, is amortized on a straight-line basis over the estimated useful lives as follows:

<u>Asset Type</u>	<u>Estimated Useful Life</u>
Land improvements	10-25 years
Buildings and leasehold improvements	20-40 years
Vehicles	3-25 years
Machinery and equipment	3-20 years
Furniture and fixtures	5-20 years
Roads and streets	5-75 years
Treatment facilities	25-60 years
Water and wastewater networks	30-60 years

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

Segmented Information

The Municipality is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Municipality'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.

MUNICIPALITY OF QUISPAMSIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

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

Segmented Information (cont'd)

Environmental Health Services

This department is responsible for the provision of bulky item waste collection and disposal, and a climate change program.

Environmental Development Services

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

Community Services

This department is responsible for the maintenance and operation of recreational and cultural facilities including the swimming pool, arenas, parks and playgrounds and other recreational and cultural facilities and community programs.

Utility Services

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

The Municipality has documented a schedule of segmented disclosure in Note 18.

Post Employment Benefits

The Municipality recognizes its obligations under post employment benefit plans and the related costs, net of plan assets. The Municipality has a sick leave benefit as documented in Note 10 and a pension plan and retirement allowance as documented in Note 11.

3. FINANCIAL INSTRUMENTS

The Municipality is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Municipality's risk exposure and concentration as of December 31, 2014:

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Municipality is exposed to credit risk from its accounts receivable. The Municipality minimizes credit risk through ongoing credit management.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Municipality is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long term debt, accounts payable and accrued liabilities and other obligations.

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

3. FINANCIAL INSTRUMENTS (cont'd)

Currency Risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Municipality is not exposed to foreign currency risk as it does not hold foreign currencies.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Municipality manages exposure through its normal operating and financing activities. The Municipality is exposed to interest rate risk as its short term bank loan has a variable interest rate.

4. CASH

	<u>2014</u>	<u>2013</u>
Unrestricted	\$ 805,015	\$ 1,109,711
Restricted - reserve funds	3,219,645	987,650
Restricted - controlled entities	<u>184,674</u>	<u>253,035</u>
	<u>\$ 4,209,334</u>	<u>\$ 2,350,396</u>

5. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	<u>2014</u>	<u>2013</u>
Canada Revenue Agency (HST refund)	\$ 325,081	\$ 775,053
Atlantic Canada Opportunities Agency	-	41,969
Canada-New Brunswick Gas Tax	<u>1,199,050</u>	<u>1,184,281</u>
	<u>\$ 1,524,131</u>	<u>\$ 2,001,303</u>

6. DUE FROM PROVINCE OF NEW BRUNSWICK

	<u>2014</u>	<u>2013</u>
Department of Transportation and Infrastructure	\$ 121,000	\$ 247,501
Other	<u>1,000</u>	<u>-</u>
	<u>\$ 122,000</u>	<u>\$ 247,501</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

7. INVESTMENTS

The investments represent the Municipality's proportionate share of the investments of the KRJBPC. The investments consist of short term notes, Canadian equities and foreign equities and are recorded at fair market value. The unrealized gain on the investments at December 31, 2014 was \$19,421 (2013 - \$5,368). The investments are restricted for future payment of retirement benefits.

8. LONG TERM DEBT

(a) General Capital Fund

	Balance January 1, 2014	Issued during year	Redeemed during year	Balance December 31, 2014
New Brunswick Municipal Financing Corporation				
Debentures:				
AQ06 2.75% - 5.5%, due July 2014, OIC # 02-51, 03-34	\$ 213,000	\$ -	\$ 213,000	\$ -
AS07 2.85% - 4.35, due July 2015, OIC # 03-34, 04-08	186,000	-	91,000	95,000
AU09 4.25% - 4.7%, due June 2016, OIC # 05-55	296,000	-	95,000	201,000
AW06 4.3% - 4.55%, due May 2017, OIC # 06-71	232,000	-	54,000	178,000
AY14 3.3% - 4.85%, due May 2018, OIC # 07-12	276,000	-	50,000	226,000
BB23 1.0% - 3.35% due May, 2014, OIC # 99-25	64,000	-	64,000	-
BD20 1.5% - 3.85% due November, 2020, OIC # 99-25, 99-72	555,000	-	138,000	417,000
BE14 1.65% - 4.25%, due May 2026, OIC # 00-43, 09-40, 09-72	10,871,000	-	707,000	10,164,000
BF19 1.35% - 3.45%, due December 2026, OIC # 11-39	2,155,000	-	227,000	1,928,000
FCM 10092 1-2012 2%, due May 2026, OIC # 09-75	1,885,000	-	118,000	1,767,000
BJ21 1.25% - 4.4%, due November 2033, OIC 11-83	3,564,000	-	164,000	3,400,000
BL23 1.20% - 3.70%, due December 2034, OIC # 11-83	-	402,000	-	402,000
	<u>20,297,000</u>	<u>402,000</u>	<u>1,921,000</u>	<u>18,778,000</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

8. LONG TERM DEBT (cont'd)

(a) General Capital Fund (cont'd)

	Balance January 1, 2014	Issued during year	Redeemed during year	Balance December 31, 2014
Capital leases:				
Caterpillar Financial Services Ltd, 4.45%, due May 2021, secured by equipment	-	53,344	-	53,344
HSBC Bank Canada, 5.925%, due July 2015, secured by equipment	21,926	-	14,270	7,656
HSBC Bank Canada, 5.925%, due September 2020, secured by equipment	<u>113,143</u>	<u>-</u>	<u>15,131</u>	<u>98,012</u>
	<u>135,069</u>	<u>53,344</u>	<u>29,401</u>	<u>159,012</u>
	<u>\$ 20,432,069</u>	<u>\$ 455,344</u>	<u>\$ 1,950,401</u>	<u>\$ 18,937,012</u>

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

2015 - \$1,734,846; 2016 - \$1,586,152; 2017 - \$1,507,156; 2018 - \$1,490,201; 2019 - \$1,476,290

(b) Utility Capital Fund

	Balance January 1, 2014	Issued during year	Redeemed during year	Balance December 31, 2014
New Brunswick Municipal Financing Corporation				
Debentures:				
AQ07 2.75% - 5.5% due July, 2014, OIC # 01-11, 02-15	\$ 43,000	\$ -	\$ 43,000	\$ -
AS08 2.85% - 4.35%, due July 2015, OIC # 02-15	39,000	-	19,000	20,000
AU10 4.25% - 4.7%, due June 2016, OIC # 94-13, 93-22	1,629,000	-	104,000	1,525,000
AW07 4.3 - 4.55%, due November due 2017, OIC # 05-55, 05-105, 05-91	413,000	-	96,000	317,000
AY15 3.5% - 4.85%, due May 2018, OIC # 06-71, 07-12	25,000	-	5,000	20,000
BB24 1.0 - 4.5%, due November 2019, OIC # 07-12	184,000	-	28,000	156,000
BD21 1.5% - 3.85%, due November 2020, OIC # 08-42	218,000	-	29,000	189,000

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

8. LONG TERM DEBT (cont'd)

(b) Utility Capital Fund (cont'd)

	Balance January 1, 2014	Issued during year	Redeemed during year	Balance December 31, 2014
BE15 1.65% - 4.25%, due May 2021, OIC # 00-43, 01-11	486,000	-	54,000	432,000
BF20 1.35% - 3.45%, due December 2021, OIC # 09-68	158,000	-	22,000	136,000
BI19 1.35% - 4.0%, due June 2033, OIC # 09-93	1,733,000	-	67,000	1,666,000
BJ22 1.25% - 4.4%, due November 2033, OIC # 11-83	2,750,000	-	104,000	2,646,000
BK10 1.15% - 4.15%, due November 2034, OIC # 12-0079, 12-0091	-	3,650,000	-	3,650,000
BL24 1.2% - 3.7%, due December 2034, OIC # 14-0009	-	2,000,000	-	2,000,000
	<u>\$ 7,678,000</u>	<u>\$ 5,650,000</u>	<u>\$ 571,000</u>	<u>\$ 12,757,000</u>

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

2015 - \$716,000; 2016 - \$2,015,000; 2017 - \$609,000; 2018 - \$513,000; 2019 - \$522,000

In 2016, debenture AU10 will mature with a final amount due of \$1,416,000. It is anticipated that \$1,304,000 of this payment will be refinanced during that year.

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

	Balance January 1, 2014	Issued during year	Redeemed during year	Balance December 31, 2014
New Brunswick Municipal Financing Corporation Debentures:				
AR52 2.75% - 4.8%, due 2014, OIC # 02-66, 03-53	\$ 312,887	\$ -	\$ 312,887	\$ -
AT63 3.75% - 4.375%, due 2015, OIC # 03-53	601,769	-	37,330	564,439
BL 45 1.2% - 3.1%, due 2024, OIC# 02-66, 03-53	-	290,771	-	290,771
	<u>\$ 914,656</u>	<u>\$ 290,771</u>	<u>\$ 350,217</u>	<u>\$ 855,210</u>

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

2015 - \$590,980; 2016 - \$27,131; 2017 - \$27,721; 2018 - \$28,310; 2019 - \$28,900

In 2015, debenture AT63 will mature with a final amount due of \$564,439, however, \$524,922 of this payment is expected to be refinanced during that year.

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

8. LONG TERM DEBT (cont'd)

Total Long term debt:

	2014	2013
General Capital Fund	\$ 18,937,012	\$ 20,432,069
Utility Capital Fund	12,757,000	7,678,000
Jointly Controlled Entity - KRJBPC	<u>855,210</u>	<u>914,656</u>
	<u>\$ 32,549,222</u>	<u>\$ 29,024,725</u>

Approval of the Municipal Capital Borrowing Board has been obtained for the long term debt.

9. SEWER OUTFALL RESERVE

In accordance with an agreement with Rothesay, the Municipality and Rothesay are required to fund, on an annual basis, an amount to cover the operating and maintenance costs associated with the shared sewer effluent line and outfall pipe. The contributions are made on a per unit basis, with Rothesay contributing \$1 per unit and the Municipality of Quispamsis contributing \$2 per unit. Any accumulated amounts are transferred to the Water and Sewer Capital Reserve Fund for future capital expenditures.

10. ACCRUED SICK LEAVE

Quispamsis provides sick leave that accumulates at a rate of one and one-half day per month. All employees can accumulate to a maximum of 200 days and can take leave with pay for an amount of time equal to the accumulated sick leave.

KVFD provides sick leave that accumulates at a rate of 18 hours per month while the employees sick bank is below 1,000 hours, and at 13.5 hours per month while the sick bank is above 1,000 hours. All employees can accumulate to a maximum of 2,184 sick leave hours and can take leave with pay for an amount of time equal to the accumulated sick leave.

An actuarial valuation in accordance with PSAS 3255, was performed for each plan, December 31, 2011 for the Municipality and December 31, 2014 for KVFD, the 74 employee plan for Quispamsis and the 36 employee plan for KVFD. The actuarial method used was the Projected Unit Credit prorated on service to expected usage. The valuation was based on a number of assumptions about future events, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions used reflect the Municipality's and KVFD's best estimates.

The following summarizes the major assumptions in the valuation:

- annual salary increase is 3%;
- the discount rate used to determine the accrued benefit obligations is 3.38% for the Municipality;
- the discount rate used to determine the accrued benefit obligations is 3.17% for KVFD;
- retirement age is 60; and
- estimated net excess utilization of rate of sick leave is independent of age.

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

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

10. ACCRUED SICK LEAVE (cont'd)

The consolidated unfunded liability consist of:

	<u>2014</u>	<u>2013</u>
Quispamsis	\$ 142,200	\$ 128,000
KVFD	382,557	358,030
KRJBPC	<u>7,844</u>	<u>7,573</u>
	<u>\$ 532,601</u>	<u>\$ 493,603</u>

11. POST EMPLOYMENT BENEFITS PAYABLE

Retirement Allowance Program

KVFD's retiring employees are entitled to four weeks' regular salary for every five years of employment to a maximum of 24 weeks based on a minimum of ten years service. This benefit is available to all employees who have reached the retirement age of 55.

The accrued liability is based on an actuarial valuation as at December 31, 2013, which used a discount rate of 4.1% and an annual salary increase rate of 3%.

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

The accrued liability is based on an actuarial valuation as at July 31, 2013, which used a discount rate of 6% and an annual salary increase rate of 3%.

Both organizations have internally restricted funds for these liabilities. The balance at December 31, 2014 consists of:

	<u>2014</u>	<u>2013</u>
KVFD	\$ 204,750	\$ 240,848
KRJBPC	<u>438,318</u>	<u>405,475</u>
Balance at end of year	<u>\$ 643,068</u>	<u>\$ 646,323</u>

Pension Obligation

Employees of Quispamsis, KVFD and KRJBPC participate in the New Brunswick Municipal Employees Pension Plan (NBMEPP). The NBMEPP is a multiple-employer defined benefit pension plan administered by a board elected by the members under the provisions of the Municipalities Act of New Brunswick. The NBMEPP provides pensions based on length of service and best average earnings.

Actuarial valuations for funding purposes are performed either annually or triennially depending on the financial position of the NBMEPP (currently annually). In turn, the actuarial valuations for accounting purposes are based on these figures (with adjustments). The most recent actuarial valuation was prepared as at December 31, 2012 and resulted in an overall NBMEPP accrued benefit obligation of \$85,323,300 based on the accounting basis.

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

11. POST EMPLOYMENT BENEFITS PAYABLE (cont'd)

The actuarial valuation for accounting purposes was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimates. The following summarizes the major assumptions in the valuation as at December 31, 2013 (same as December 31, 2012):

- the expected inflation rate is 2.35% (prior 2.35%);
- the discount rate used to determine the accrued benefit obligation is 5.6% (prior 5.5%);
- the expected rate of return on assets is 5.6% (prior 5.5%);
- retirement age varies by age and employment category; and
- estimated average remaining service life (EARS�) is 14 years (prior 15.1 years).

The actuarial valuation prepared as at December 31, 2012 indicated that the present value of the accumulated plan benefits exceeded the market value of the net assets available for these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a plan deficit of \$11,581,900, an increase of \$1,047,700 from the December 31, 2011 deficit of \$12,629,600. Based on the assumptions as at December 31, 2012, the actuary expected the level of employer and employee contributions to be sufficient to fund the deficit in less than fifteen years, as allowed by the Pensions Benefits Act.

As at December 31, 2012, the NBMEPP provides benefits for 171 retirees. Total benefits payments to retirees and terminating employees during 2014 are estimated to be approximately \$2,745,900 (actual 2013, \$2,678,900) in totality for the NBMEPP.

Employees make contributions using rates that vary by earnings level and employment category, with an overall average contribution rate of approximately 7.6%. Each municipality contributes an amount that equals their employees contributions amounts. Pension fund assets are invested in short term securities, bonds, Canadian equities and foreign equities. Combined employees and municipalities contributions for 2014 are estimated to be approximately \$5,456,800 (actual 2013, \$5,306,000) in totality for the NBMEPP.

The following summarizes the NBMEPP data as it relates to Quispamsis:

- The average age of the 78 active employees covered by the NBMEPP is 44.5 (as at December 31, 2012);
- benefit payments were \$207,900 in 2013 and were estimated to be \$217,700 in 2014; and
- combined contributions were \$659,200 in 2013 and were estimated to be \$679,000 in 2014.

The following summarizes the NBMEPP data as it relates to KVFD:

- The average age of the 40 active employees covered by the NBMEPP is 45.9 (2013 - 45.1);
- benefit payments were \$253,100 in 2013 and were estimated to be \$258,500 in 2014; and
- combined contributions were \$442,800 in 2013 and were estimated to be \$456,000 in 2014.

The following summarizes the NBMEPP data as it relates to KRJBPC:

- The average age of the 42 active employees covered by the NBMEPP is 41.2;
- benefit payments were \$283,900 in 2013 and were estimated to be \$290,400 in 2014; and
- combined contributions were \$563,800 in 2013 and were estimated to be \$580,000 in 2014.

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

11. POST EMPLOYMENT BENEFITS PAYABLE (cont'd)

In addition to determining the position of the NBMEPP as it relates to Quispamsis and the other controlled entities as at December 31, 2012 and December 31, 2013, NBMEPP's actuary performed an extrapolation of the December 31, 2013 accounting valuation to determine the estimated position as at December 31, 2014. The extrapolation assumes assumptions used as at December 31, 2014 remain unchanged from December 31, 2013. The extrapolation also assumes assets return 5.6%, net of all fees and expenses. If experience is different than assumed, amounts will be adjusted to reflect actual experience. Results of the extrapolation are as follows:

	<u>Estimated Jan 1, 2014 to Dec 31, 2014</u>	<u>Estimated Jan 1, 2013 to Dec 31, 2013</u>
Accrued Benefit Liability		
Accrued benefit liability at beginning of period	\$ 2,148,661	\$ 2,210,188
Change in ownership percentage	(432)	44,646
Adjust to 2013 actual	(69,430)	(28,570)
Pension expense for the year	396,764	513,681
Employer contributions	<u>(643,816)</u>	<u>(591,284)</u>
Accrued benefit liability at end of period	<u>\$ 1,831,747</u>	<u>\$ 2,148,661</u>

In summary, the consolidated accrued benefit liability is estimated to be \$1,831,747 as at December 31, 2014. The December 31, 2013 liability was estimated in the prior year. The actual liability was calculated to be \$2,148,661. The difference of \$- has been recorded in the current year. This amount is included in the post employment benefits payable on the consolidated statement of financial position.

	<u>Estimated Jan 1, 2014 to Dec 31, 2014</u>	<u>Estimated Jan 1, 2013 to Dec 31, 2013</u>
Quispamsis	\$ 475,800	\$ 645,800
KVFD	683,103	746,502
KRJBPC	<u>672,844</u>	<u>756,359</u>
	<u>\$ 1,831,747</u>	<u>\$ 2,148,661</u>

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

	<u>Estimated Jan 1, 2014 to Dec 31, 2014</u>	<u>Jan 1, 2013 to Dec 31, 2013</u>
Reconciliation of Funded Status at End of Period		
Accrued benefit obligation	\$ 19,412,241	\$ 17,994,903
Plan assets	<u>(17,631,384)</u>	<u>(15,970,645)</u>
Plan deficit	1,780,857	2,024,258
Unamortized experience losses	50,890	54,973
2013 adjustment actual to estimate	<u>-</u>	<u>69,430</u>
Accrued benefit liability at end of period	<u>\$ 1,831,747</u>	<u>\$ 2,148,661</u>

MUNICIPALITY OF QUISPAMIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

11. POST EMPLOYMENT BENEFITS PAYABLE (cont'd)

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

	Estimated Jan 1, 2014 to Dec 31, 2014	Jan 1, 2013 to Dec 31, 2013
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation at beginning of period	\$ 17,994,903	\$ 15,847,938
Change in ownership percentage	(2,439)	297,525
Current service cost	940,805	884,822
Benefits payments	(539,813)	(523,100)
Interest for period	1,018,785	897,957
Experience loss during period	-	589,761
Accrued benefit obligation at end of period	<u>\$ 19,412,241</u>	<u>\$ 17,994,903</u>

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

	Estimated Jan 1, 2014 to Dec 31, 2014	Jan 1, 2013 to Dec 31, 2013
Reconciliation of Plan Assets		
Plan assets at beginning of period	\$ 15,970,645	\$ 12,805,274
Change in ownership percentage	(2,195)	240,402
Employer contributions	643,816	625,099
Employee contributions	643,816	625,099
Benefit payments	(539,813)	(523,100)
Return on plan assets during period	915,115	1,662,771
Experience gain during the year	-	535,100
Plan assets at end of period	<u>\$ 17,631,384</u>	<u>\$ 15,970,645</u>

Total expense related to pensions include the following components:

	Estimated Jan 1, 2014 to Dec 31, 2014	Jan 1, 2013 to Dec 31, 2013
Pension Expense		
Employer current service cost	\$ 296,989	\$ 259,723
Interest on accrued benefit obligation	1,018,785	897,957
Expected return on assets	(915,114)	(737,510)
Amortization of unrecognized balances		
Experience loss	<u>(3,896)</u>	<u>19,823</u>
Pension expense	<u>\$ 396,764</u>	<u>\$ 439,993</u>

The pension expense is included in the statement of operations.

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

12. CONTINGENT LIABILITY

In the normal course of operations, the Municipality becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at December 31, 2014 cannot be predicted with certainty, it is the opinion of management and council that resolution of these matters will not have a material adverse effect as the Municipality maintains insurance coverage in amounts considered appropriate.

13. COMMITMENTS

Dalhousie School of Medicine

In 2012, the Municipality committed \$50,000 payable over 10 years to the Dalhousie School of Medicine. During the year, a payment of \$5,000 (2013 - \$5,000) was made. The remaining \$35,000 is payable at \$5,000 per year, over the next 7 years.

University of New Brunswick

In 2007, the Municipality committed \$175,000 payable over 10 years to the University. During the year, a payment of \$17,500 (2013 - \$17,500) was made. The remaining \$35,000 is payable at \$17,500 per year, over the next 2 years.

Office equipment

The Municipality has entered into long-term lease agreements for certain office equipment which have been accounted for as operating leases. The future minimum payments over the next year is \$1,287.

14. SHORT TERM BORROWING

Operating Borrowing

As prescribed in the Municipalities Act, borrowing to finance General Operating Fund operations is limited to 4% of the Municipality's budget. Borrowing to finance Water and Sewer Fund operations is limited to 50% of the operating budget for the year. In 2014, the Municipality has complied with these restrictions.

Interim Borrowing Capital Funds

The Municipality has arranged a revolving operating facility bearing interest at BMO prime minus 1% for the Capital Funds. The facility is used to provide interim financing for capital expenditures. At December 31, 2014, the Municipality had no funds (2013 - \$1,950,000) borrowed from the facility.

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 QUISPAMISIS

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DECEMBER 31, 2014

14. SHORT TERM BORROWING (cont'd)

Amounts outstanding at year end are inter fund regular payables or in some cases, a short term loan may exist from the reserve account. Where a loan is in place, interest is paid to the reserve account at a rate that equates what the account would have earned had it been in the bank. These loan amounts are paid off within the following year and council is given a summary at year end to be fully informed of these transactions.

15. WATER AND SEWER FUND SURPLUS

The Municipalities Act requires Water and Sewer Fund surplus amounts to be absorbed into one or more of four Operating Budgets commencing with the second next ensuing year. The balance of the surplus at the end of the year consists of:

	<u>2014</u>	<u>2013</u>
2014 Surplus	\$ 70,138	\$ -
2013 Surplus	119,636	119,636
2012 Surplus	<u>-</u>	<u>129,352</u>
	<u>\$ 189,774</u>	<u>\$ 248,988</u>

MUNICIPALITY OF QUISPAMISIS

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16. SCHEDULE OF TANGIBLE CAPITAL ASSETS

	Land	Land Improvements	Buildings and Leasehold Improvement	Furniture and Fixtures	Vehicles	Machinery and Equipment	Roads and Streets	Infrastructure Treatment Facilities	Water and Sewer	Subtotal	Assets Under Construction	2014 Total	2013 Total
COST													
Balance - beginning of year	\$ 3,292,134	\$ 6,371,586	\$ 34,179,921	\$ 474,267	\$ 2,909,175	\$ 5,146,482	\$ 62,651,440	\$ 27,485,750	\$ 12,597,964	\$ 155,108,719	\$ 5,597,908	\$ 160,706,627	\$ 148,090,217
Change in percentage ownership	41	26	(864)	82	(1,945)	(124)	-	-	-	(2,784)	-	(2,784)	335,013
Add: Net additions during the year	140,953	369,795	87,391	-	69,241	323,398	2,941,919	3,099,745	2,987,133	10,019,575	265,710	10,285,285	18,461,285
Less: Disposals during the year	-	-	-	(48,368)	(18,731)	-	(360,456)	(43,890)	-	(471,445)	(5,575,896)	(6,047,341)	(6,179,888)
Balance - end of year	<u>3,433,128</u>	<u>6,741,407</u>	<u>34,266,448</u>	<u>425,981</u>	<u>2,957,740</u>	<u>5,469,756</u>	<u>65,232,903</u>	<u>30,541,605</u>	<u>15,585,097</u>	<u>164,654,065</u>	<u>287,722</u>	<u>164,941,787</u>	<u>160,706,627</u>
ACCUMULATED AMORTIZATION													
Balance - beginning of year	-	1,655,258	5,087,878	247,683	1,414,615	2,258,528	26,900,963	3,457,682	5,314,698	46,337,305	-	46,337,305	42,553,981
Change in percentage ownership	-	12	(486)	(11)	(585)	35	-	-	-	(1,035)	-	(1,035)	64,525
Add: Amortization during the year	-	377,982	922,658	33,751	200,509	472,392	2,530,892	484,055	356,728	5,378,967	-	5,378,967	5,003,331
Less: Accumulated amortization on disposals	-	-	-	-	(16,372)	-	(355,226)	(8,644)	-	(380,242)	-	(380,242)	(1,284,532)
Balance - end of year	<u>-</u>	<u>2,033,252</u>	<u>6,010,050</u>	<u>281,423</u>	<u>1,598,167</u>	<u>2,730,955</u>	<u>29,076,629</u>	<u>3,933,093</u>	<u>5,671,426</u>	<u>51,334,995</u>	<u>-</u>	<u>51,334,995</u>	<u>46,337,305</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 3,433,128</u>	<u>\$ 4,708,155</u>	<u>\$ 28,256,398</u>	<u>\$ 144,558</u>	<u>\$ 1,359,573</u>	<u>\$ 2,738,801</u>	<u>\$ 36,156,274</u>	<u>\$ 26,608,512</u>	<u>\$ 9,913,671</u>	<u>\$ 113,319,070</u>	<u>\$ 287,722</u>	<u>\$ 113,606,792</u>	<u>\$ 114,369,322</u>
Consists of:													
General Fund Assets	\$ 2,266,135	\$ 4,556,575	\$ 23,611,694	\$ 89,601	\$ 185,737	\$ 1,694,712	\$ 36,156,274	\$ -	\$ -	\$ 68,560,728	\$ 206,278	\$ 68,767,006	\$ 69,131,808
Utility Fund Assets	815,029	-	-	-	41,084	681,964	-	26,608,512	9,913,671	38,060,260	81,444	38,141,704	38,343,548
Jointly Controlled Entities	351,964	151,580	4,644,704	54,957	1,132,752	362,125	-	-	-	6,698,082	-	6,698,082	6,893,966
	<u>\$ 3,433,128</u>	<u>\$ 4,708,155</u>	<u>\$ 28,256,398</u>	<u>\$ 144,558</u>	<u>\$ 1,359,573</u>	<u>\$ 2,738,801</u>	<u>\$ 36,156,274</u>	<u>\$ 26,608,512</u>	<u>\$ 9,913,671</u>	<u>\$ 113,319,070</u>	<u>\$ 287,722</u>	<u>\$ 113,606,792</u>	<u>\$ 114,369,322</u>

The Municipality has tangible capital assets under capital leases as follows, included in the amounts listed above:

	Historical Cost	Accumulated Amortization	Net Book Value
Machinery and equipment	\$ <u>308,256</u>	\$ <u>132,430</u>	\$ <u>175,826</u>

MUNICIPALITY OF QUISPAMSI

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17. SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR JOINTLY CONTROLLED ENTITIES

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Furniture and Fixtures</u>	<u>Vehicles</u>	<u>Machinery and Equipment</u>	<u>Assets Under Construction</u>	<u>2014 Total</u>	<u>2013 Total</u>
COST									
Balance - beginning of year	\$ 351,923	\$ 183,144	\$ 5,696,848	\$ 104,508	\$ 1,854,165	\$ 489,126	\$ -	\$ 8,679,714	\$ 7,977,992
Change in percentage ownership	41	26	(864)	82	(1,945)	(124)	-	(2,784)	335,013
Add: Net additions during the year	-	-	14,381	-	69,241	92,476	-	176,098	3,713,024
Less: Disposals during the year	-	-	-	-	(18,731)	-	-	(18,731)	(3,346,315)
Balance - end of year	<u>351,964</u>	<u>183,170</u>	<u>5,710,365</u>	<u>104,590</u>	<u>1,902,730</u>	<u>581,478</u>	<u>-</u>	<u>8,834,297</u>	<u>8,679,714</u>
ACCUMULATED AMORTIZATION									
Balance - beginning of year	-	19,819	908,227	44,415	670,523	142,764	-	1,785,748	1,822,728
Change in percentage ownership	-	12	(486)	(11)	(585)	35	-	(1,035)	64,525
Add: Amortization during the year	-	11,759	157,920	5,229	116,412	76,554	-	367,874	297,029
Less: Accumulated amortization on disposals	-	-	-	-	(16,372)	-	-	(16,372)	(398,534)
Balance - end of year	<u>-</u>	<u>31,590</u>	<u>1,065,661</u>	<u>49,633</u>	<u>769,978</u>	<u>219,353</u>	<u>-</u>	<u>2,136,215</u>	<u>1,785,748</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 351,964</u>	<u>\$ 151,580</u>	<u>\$ 4,644,704</u>	<u>\$ 54,957</u>	<u>\$ 1,132,752</u>	<u>\$ 362,125</u>	<u>\$ -</u>	<u>\$ 6,698,082</u>	<u>\$ 6,893,966</u>

MUNICIPALITY OF QUISPAMSI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

18. SCHEDULE OF SEGMENT DISCLOSURE

	<u>General</u>	<u>Protective</u>	<u>Transportation</u>	<u>Environmental Health</u>	<u>Environmental Development</u>	<u>Community Services</u>	<u>Utility Services</u>	<u>2014 Consolidated</u>	<u>2013 Consolidated</u>
REVENUE									
Property tax warrant	\$ 1,875,302	\$ 5,562,138	\$ 6,209,336	\$ 163,306	\$ 337,111	\$ 5,294,043	\$ -	\$ 19,441,236	\$ 19,052,928
Services provided to other governments	-	-	47,291	-	-	-	-	47,291	47,063
Other own source	215,063	89,151	156,697	-	-	1,087,864	-	1,548,775	1,443,519
Unconditional grant	40,436	121,307	140,461	3,405	7,236	112,795	-	425,640	573,120
Conditonal government transfers	67,639	-	1,199,050	-	-	40,126	-	1,306,815	4,905,322
Water and sewer user fees	-	-	-	-	-	-	2,199,600	2,199,600	2,133,177
Contributions from public donations	-	-	-	-	-	115,511	-	115,511	126,201
Sundry and interest	<u>48,096</u>	<u>253,987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,849</u>	<u>58,499</u>	<u>367,431</u>	<u>420,867</u>
	<u>2,246,536</u>	<u>6,026,583</u>	<u>7,752,835</u>	<u>166,711</u>	<u>344,347</u>	<u>6,657,188</u>	<u>2,258,099</u>	<u>25,452,299</u>	<u>28,702,197</u>
EXPENDITURE									
Salaries and benefits	1,076,988	5,083,219	2,043,265	-	195,981	2,004,206	671,606	11,075,265	11,174,553
Goods and services	949,819	840,500	1,879,198	181,637	174,797	2,009,105	600,166	6,635,222	6,082,268
Interest	13,774	29,249	104,179	-	-	571,134	423,360	1,141,696	986,419
Other	-	1,062	5,230	-	-	-	-	6,292	454,471
Amortization	<u>46,371</u>	<u>236,079</u>	<u>2,878,493</u>	<u>-</u>	<u>4,482</u>	<u>1,307,160</u>	<u>906,382</u>	<u>5,378,967</u>	<u>5,003,330</u>
	<u>2,086,952</u>	<u>6,190,109</u>	<u>6,910,365</u>	<u>181,637</u>	<u>375,260</u>	<u>5,891,605</u>	<u>2,601,514</u>	<u>24,237,442</u>	<u>23,701,041</u>
Surplus (deficit) for the year	<u>\$ 159,584</u>	<u>\$ (163,526)</u>	<u>\$ 842,470</u>	<u>\$ (14,926)</u>	<u>\$ (30,913)</u>	<u>\$ 765,583</u>	<u>\$ (343,415)</u>	<u>\$ 1,214,857</u>	<u>\$ 5,001,156</u>

MUNICIPALITY OF QUISPAMSI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

19. RECONCILIATION OF ANNUAL SURPLUS

	General Operating Fund	General Capital Fund	Utility Operating Fund	Utility Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	Utility Operating Reserve Fund	Utility Capital Reserve Fund	Land Trust Fund	Jointly Controlled Entities	Total
2014 annual surplus (deficit)	\$ 8,304,973	\$ (894,773)	\$ 574,778	\$ (906,382)	\$ 6,991	\$ 7,424	\$ 1,649	\$ 15,582	\$ 3,494	\$ (5,898,879)	\$ 1,214,857
Adjustments to annual surplus											
(deficit) for funding requirements											
Second previous year's surplus	707	-	129,352	-	-	-	-	-	-	15,476	145,535
Transfers between funds											
Transfer elimination	(100,000)	-	-	-	100,000	-	-	-	-	-	-
Transfer elimination	109,000	-	-	-	(109,000)	-	-	-	-	-	-
Transfer elimination	(260,000)	-	-	-	-	260,000	-	-	-	-	-
Transfer elimination	-	69,000	-	-	-	(69,000)	-	-	-	-	-
Transfer elimination	-	132,643	-	-	-	-	-	-	(132,643)	-	-
Transfer elimination	-	-	(44,250)	-	-	-	-	44,250	-	-	-
Long term debt principal repayment	(1,950,401)	1,950,401	(571,000)	571,000	-	-	-	-	-	-	-
Provision for pension liability	(149,550)	-	(20,450)	-	-	-	-	-	-	(89,190)	(259,190)
Provision for sick leave accrual	12,492	-	1,708	-	-	-	-	-	-	25,282	39,482
Provision for retirement allowance	-	-	-	-	-	-	-	-	-	(62,376)	(62,376)
Accumulated amortization on disposal of tangible capital assets	-	(363,870)	-	-	-	-	-	-	-	(16,372)	(380,242)
Revenue adjustment	(5,952,894)	-	-	-	-	-	-	-	-	5,952,894	-
Unrealized gains on investments	-	-	-	-	-	-	-	-	-	(14,263)	(14,263)
Amortization expense	-	4,104,711	-	906,382	-	-	-	-	-	367,874	5,378,967
Total adjustments to 2014 annual surplus (deficit)	(8,290,646)	5,892,885	(504,640)	1,477,382	(9,000)	191,000	-	44,250	(132,643)	6,179,325	4,847,913
2014 annual surplus (deficit) for funding requirements	\$ 14,327	\$ 4,998,112	\$ 70,138	\$ 571,000	\$ (2,009)	\$ 198,424	\$ 1,649	\$ 59,832	\$ (129,149)	\$ 280,446	\$ 6,062,770

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

20. STATEMENT OF RESERVES

	General Operating Reserve	General Capital Reserve	Utility Operating Reserve	Utility Equipment Replacement Reserve	Utility Capital Reserve	Land Trust Fund	2014 Total	2013 Total
ASSETS								
Cash and short term investments	\$ 599,420	\$ 836,298	\$ 109,395	\$ 244,287	\$1,332,250	\$ 97,995	\$ 3,219,645	\$ 987,650
Accounts receivable from other funds	-	1,237	-	44,250	3,245	203	48,935	2,152,184
	<u>\$ 599,420</u>	<u>\$ 837,535</u>	<u>\$ 109,395</u>	<u>\$ 288,537</u>	<u>\$1,335,495</u>	<u>\$ 98,198</u>	<u>\$ 3,268,580</u>	<u>\$ 3,139,834</u>
ACCUMULATED SURPLUS	<u>\$ 599,420</u>	<u>\$ 837,535</u>	<u>\$ 109,395</u>	<u>\$ 288,537</u>	<u>\$1,335,495</u>	<u>\$ 98,198</u>	<u>\$ 3,268,580</u>	<u>\$ 3,139,834</u>
REVENUE								
Lot fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750	\$ 750	\$ 17,200
Transfers from General Operating Fund	100,000	260,000	-	-	-	-	360,000	751,000
Transfers from Utility Operating Fund	-	-	-	44,250	-	-	44,250	195,000
Interest	6,991	7,424	1,649	2,464	13,118	2,744	34,390	29,495
	<u>106,991</u>	<u>267,424</u>	<u>1,649</u>	<u>46,714</u>	<u>13,118</u>	<u>3,494</u>	<u>439,390</u>	<u>992,695</u>
EXPENDITURES								
Transfers to General Operating Fund	109,000	-	-	-	-	-	109,000	-
Transfers to General Capital Fund	-	69,000	-	-	-	132,643	201,643	723,034
	<u>109,000</u>	<u>69,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,643</u>	<u>310,643</u>	<u>723,034</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (2,009)</u>	<u>\$ 198,424</u>	<u>\$ 1,649</u>	<u>\$ 46,714</u>	<u>\$ 13,118</u>	<u>\$ (129,149)</u>	<u>\$ 128,747</u>	<u>\$ 269,661</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

20. STATEMENT OF RESERVES (cont'd)

Council Resolutions regarding transfers to and from reserves:

Moved by Councillor Olsen and seconded by Deputy Mayor O'Hara be it resolved that \$44,250 be transferred from the Utility Operating Fund to the Utility Capital Replacement Reserve Fund.

Moved by Councillor Olsen and seconded by Councillor Loughery be it resolved that \$100,000 be transferred from the General Operating Fund to the General Operating Reserve Fund.

Moved by Councillor Olsen and seconded by Councillor Loughery be it resolved that \$260,000 be transferred from the General Operating Fund to the General Capital Reserve Fund.

Moved by Councillor Olsen and seconded by Councillor Loughery be it resolved that \$69,000 be transferred from the General Capital Reserve Fund to the General Capital Fund to be used for 2014 Capital Expenditures.


Moved by Councillor Olsen and seconded by Councillor Miller be it resolved that \$109,000 be transferred from the General Operating Reserve Fund to the General Operating Fund.

Moved by Councillor Olsen and seconded by Councillor Miller be it resolved that \$132,643 be transferred from the Land Trust Fund to the General Capital Fund for the purchase of land 2014.

I hereby certify that the above are true and exact copies of resolutions adopted at a meeting of Council on December 16, 2014.



Clerk, ACTING
Quispamsis


Date

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

21. STATEMENT OF JOINTLY CONTROLLED ENTITIES OPERATIONS

	<u>KVFD</u>	<u>KRJBPC</u>	<u>Library</u>	<u>2014 Total</u>	<u>2013 Total</u>
ASSETS	\$ <u>2,337,134</u>	\$ <u>2,173,240</u>	\$ <u>3,467,642</u>	\$ <u>7,978,016</u>	\$ <u>8,019,344</u>
LIABILITIES	\$ <u>1,405,762</u>	\$ <u>2,197,730</u>	\$ <u>39,910</u>	\$ <u>3,643,402</u>	\$ <u>3,806,473</u>
ACCUMULATED SURPLUS (DEFICIT)	\$ <u>931,372</u>	\$ <u>(24,490)</u>	\$ <u>3,427,732</u>	\$ <u>4,334,614</u>	\$ <u>4,212,871</u>
REVENUE	\$ 2,595,210	\$ 3,457,017	\$ 147,240	\$ 6,199,467	\$ 6,640,002
EXPENDITURES	<u>2,566,158</u>	<u>3,256,330</u>	<u>253,822</u>	<u>6,076,310</u>	<u>6,114,204</u>
	29,052	200,687	(106,582)	123,157	525,798
CHANGE IN PERCENTAGE OWNERSHIP	<u>(1,237)</u>	<u>(176)</u>	<u>-</u>	<u>(1,413)</u>	<u>189,015</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>27,815</u>	\$ <u>200,511</u>	\$ <u>(106,582)</u>	\$ <u>121,744</u>	\$ <u>714,813</u>

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

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

22. OPERATING BUDGET TO PSAS BUDGET

	<u>Operating Budget General</u>	<u>Operating Budget Water and Sewer</u>	<u>Amortization and Long Term Accruals</u>	<u>Controlled Entities</u>	<u>Transfers</u>	<u>Total</u>
REVENUE						
Property tax warrant	\$ 19,441,242	\$ -	\$ -	\$ -	\$ -	\$ 19,441,242
Unconditional transfers from other governments	425,637	-	-	-	-	425,637
Conditional transfers from Federal or Provincial governments	35,000	-	-	-	-	35,000
Services other governments	56,010	-	-	-	(8,947)	47,063
Other own source	1,446,705	3,982	-	-	(115,944)	1,334,743
Public donations and sponsorships	-	-	-	-	115,944	115,944
Other transfers	187,500	22,680	-	-	(210,180)	-
Water and sewer user fees	-	2,217,274	-	-	-	2,217,274
Sundry income	20,000	34,600	-	234,203	-	288,803
Surplus of second previous year	<u>707</u>	<u>129,352</u>	<u>-</u>	<u>-</u>	<u>(130,059)</u>	<u>-</u>
	<u>21,612,801</u>	<u>2,407,888</u>	<u>-</u>	<u>234,203</u>	<u>(349,186)</u>	<u>23,905,706</u>
EXPENDITURES						
General government services	2,172,617	-	21,635	-	13,925	2,208,177
Protective services	6,174,076	-	231,688	5,743,013	(5,850,008)	6,298,769
Transportation services	4,028,272	-	2,821,860	-	105,323	6,955,455
Environmental health services	176,580	-	-	-	-	176,580
Environmental development services	783,572	-	(987)	-	(408,471)	374,114
Community services	3,718,690	-	1,261,331	116,741	874,290	5,971,052
Fiscal services						
Long term debt repayments	1,848,152	571,000	-	-	(2,419,152)	-
Interest	726,221	434,982	-	-	(1,161,203)	-
Transfer from General Operating Fund to General Capital Fund	1,984,621	-	-	-	(1,984,621)	-
Transfer from Utility Operating Fund to General Operating Fund	-	8,947	-	-	(8,947)	-
Transfer from Utility Operating Fund to Utility Capital Reserve Fund	-	-	-	-	-	-
Transfer from Utility Operating Fund to Utility Equipment Replacement Reserve Fund	-	46,454	-	-	(46,454)	-
Utility services	<u>-</u>	<u>1,346,505</u>	<u>887,640</u>	<u>-</u>	<u>434,982</u>	<u>2,669,127</u>
	<u>21,612,801</u>	<u>2,407,888</u>	<u>5,223,167</u>	<u>5,859,754</u>	<u>(10,450,336)</u>	<u>24,653,274</u>
Surplus (deficit)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(5,223,167)</u>	\$ <u>(5,625,551)</u>	\$ <u>10,101,150</u>	\$ <u>(747,568)</u>

MUNICIPALITY OF QUISPAMSI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

23. REVENUE AND EXPENDITURES SUPPORT

	2014 Budget	2014 Actual	2013 Actual
REVENUE			
Other own source			
Permits and fines	\$ 252,332	\$ 236,620	\$ 295,163
Rental revenue	1,064,629	1,114,083	1,043,958
Miscellaneous	<u>17,782</u>	<u>198,072</u>	<u>104,398</u>
	<u>\$ 1,334,743</u>	<u>\$ 1,548,775</u>	<u>\$ 1,443,519</u>
Conditional government transfers			
Building Canada and Infrastructure Stimulus Funds	\$ -	\$ -	\$ 1,131,383
Atlantic Canada Opportunities Agency	-	-	250,000
New Brunswick Dept. of Transportation and Infrastructure	-	-	242,957
Trans Canada Trail	-	68,619	-
New Brunswick Environmental Trust Fund	-	-	12,028
Gas Tax revenue	-	1,199,050	3,226,118
Other	<u>35,000</u>	<u>39,146</u>	<u>42,836</u>
	<u>\$ 35,000</u>	<u>\$ 1,306,815</u>	<u>\$ 4,905,322</u>
EXPENDITURE			
General government services			
Legislative			
Mayor	\$ 65,977	\$ 58,629	\$ 59,230
Councilors	<u>170,347</u>	<u>144,307</u>	<u>149,395</u>
	<u>236,324</u>	<u>202,936</u>	<u>208,625</u>
Administrative			
Administration	1,003,454	972,688	889,853
Office building	121,867	111,086	135,930
Solicitor	125,000	110,916	129,131
Other	<u>146,040</u>	<u>104,724</u>	<u>105,528</u>
	<u>1,396,361</u>	<u>1,299,414</u>	<u>1,260,442</u>
Financial management			
External audit and PSAS conversion	<u>16,600</u>	<u>23,034</u>	<u>53,132</u>

MUNICIPALITY OF QUISPAMSI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

23. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2014</u> Budget	<u>2014</u> Actual	<u>2013</u> Actual
General government services (cont'd)			
Other			
Civic relations	114,204	89,054	83,645
Marketing	-	18,881	-
Insurance	89,787	101,693	104,505
Cost of assessment	304,541	304,541	302,971
Other	14,800	11,990	11,511
Interest	13,925	13,774	13,449
Pension recovery	(26,990)	(26,990)	(19,680)
Sick leave expense	2,254	2,254	2,158
Amortization	<u>46,371</u>	<u>46,371</u>	<u>49,051</u>
	<u>558,892</u>	<u>561,568</u>	<u>547,610</u>
	<u>\$ 2,208,177</u>	<u>\$ 2,086,952</u>	<u>\$ 2,069,809</u>
Protective services			
Fire			
Administration	\$ 293,437	\$ 225,205	\$ 216,289
Firefighting force	1,903,066	1,881,789	1,918,307
Telecommunications	10,853	8,529	6,146
Insurance	19,839	18,962	20,055
Prevention and training	20,189	18,166	18,286
Facilities	112,279	131,753	116,293
Fleet	64,535	55,407	70,379
Operations	26,491	30,285	32,078
Water costs	15,247	15,247	14,469
Retirement allowance	17,381	24,092	31,792
Other	875	3,134	733
Gain on disposal of tangible capital assets	-	-	(6,850)
Amortization	<u>144,951</u>	<u>144,951</u>	<u>134,063</u>
	<u>2,629,143</u>	<u>2,557,520</u>	<u>2,572,040</u>
Police			
Crime Control	2,323,093	2,298,458	2,207,554
Vehicle Fleet	144,820	131,196	165,315
Property	139,250	145,868	143,614
Administration	472,241	426,540	429,782
Retirement allowance	-	38,808	44,245
Communications	179,417	180,689	173,097
Loss on disposal of tangible capital assets	-	1,062	2,360
Amortization	<u>87,610</u>	<u>87,610</u>	<u>96,392</u>
	<u>3,346,431</u>	<u>3,310,231</u>	<u>3,262,359</u>

MUNICIPALITY OF QUISPAMSI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

23. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2014</u> Budget	<u>2014</u> Actual	<u>2013</u> Actual
Protective services (cont'd)			
Other			
Emergency measures	16,053	17,016	17,745
Animal control	71,133	75,445	85,498
Building inspection	202,312	195,593	178,912
Crosswalk guards	5,000	5,928	4,736
Interest	29,570	29,249	28,561
Pension recovery	(4,791)	(4,791)	(3,398)
Sick leave expense	400	400	373
Amortization	<u>3,518</u>	<u>3,518</u>	<u>6,793</u>
	<u>323,195</u>	<u>322,358</u>	<u>319,220</u>
	<u>\$ 6,298,769</u>	<u>\$ 6,190,109</u>	<u>\$ 6,153,619</u>
Transportation services			
Common			
Workshop, yard and equipment maintenance	\$ 57,559	\$ 51,259	\$ 70,289
Engineering	<u>453,185</u>	<u>432,405</u>	<u>420,103</u>
	<u>510,744</u>	<u>483,664</u>	<u>490,392</u>
Roads and streets			
Culverts and drainage ditches	91,000	70,066	102,050
Summer maintenance	1,251,347	1,117,784	1,112,894
Snow and ice removal	1,783,175	1,917,831	1,812,130
Street lighting	138,000	136,279	129,268
Street signs	18,000	10,917	17,048
Traffic lane marking	32,000	25,655	24,388
Traffic signals and signs	11,000	25,849	8,112
Railway crossing signals	10,200	10,154	10,228
Public transit - Comex Service	182,806	180,897	166,377
Pension recovery	(61,795)	(61,795)	(47,256)
Sick leave expense	5,162	5,162	5,182
Interest	105,323	104,179	101,727
Loss on disposal of tangible capital assets	-	5,230	362,329
Amortization	<u>2,878,493</u>	<u>2,878,493</u>	<u>2,805,400</u>
	<u>6,444,711</u>	<u>6,426,701</u>	<u>6,609,877</u>
	<u>\$ 6,955,455</u>	<u>\$ 6,910,365</u>	<u>\$ 7,100,269</u>
Environmental health services			
Clean up campaign	\$ 170,980	\$ 178,814	\$ 172,679
Climate protection	<u>5,600</u>	<u>2,823</u>	<u>4,526</u>
	<u>\$ 176,580</u>	<u>\$ 181,637</u>	<u>\$ 177,205</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

23. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	2014 Budget	2014 Actual	2013 Actual
Environmental development services			
Administration	\$ 229,906	\$ 229,642	\$ 256,092
Municipal plan	20,000	21,410	-
Enterprise Saint John	112,133	112,133	112,133
Regional Services Commission	13,062	13,062	10,326
Pension expense (recovery)	(5,968)	(5,968)	(5,277)
Sick leave expense	499	499	579
Amortization	<u>4,482</u>	<u>4,482</u>	<u>4,823</u>
	<u>\$ 374,114</u>	<u>\$ 375,260</u>	<u>\$ 378,676</u>
Community services			
Administration	\$ 188,301	\$ 184,829	\$ 170,062
Facilities maintenance	313,763	287,574	244,040
Beaches	58,147	55,697	76,813
Quispamsis Arena	401,853	394,139	373,342
Qplex	1,388,727	1,350,015	1,433,141
Parks and playgrounds	950,889	950,233	868,136
Parks office	77,384	72,959	66,771
Civic Centre	53,670	48,000	42,258
Recreation programs	87,594	90,456	89,235
Regional Facilities Commission	408,471	408,471	360,512
Library	116,741	132,846	93,524
Warehouse	20,132	20,961	19,040
Food bank building	9,741	7,260	6,951
Petingill Road house	11,194	10,216	1,616
Beach house	45,711	45,484	39,242
Pension expense (recovery)	(50,006)	(50,006)	(38,347)
Sick leave expense	4,177	4,177	4,205
Interest	577,403	571,134	557,692
Loss on disposal of tangible capital assets	-	-	96,632
Amortization	<u>1,307,160</u>	<u>1,307,160</u>	<u>1,232,617</u>
	<u>\$ 5,971,052</u>	<u>\$ 5,891,605</u>	<u>\$ 5,737,482</u>
Utility services			
Water System			
Treatment	\$ 60,942	\$ 65,274	\$ 53,152
Wellfields	6,500	7,107	1,548
Pump	12,300	13,442	11,744
Infrastructure	178,453	144,542	152,341
Pension expense (recovery)	(3,736)	(3,736)	(6,442)
Sick leave expense	<u>312</u>	<u>312</u>	<u>706</u>
	<u>254,771</u>	<u>226,941</u>	<u>213,049</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

23. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2014</u> Budget	<u>2014</u> Actual	<u>2013</u> Actual
Sewer System			
Sewer collection system	153,922	131,037	116,872
Sewer lift stations	290,487	275,502	257,260
Treatment and disposal	194,881	185,029	157,960
Pension expense (recovery)	(7,581)	(7,581)	(3,177)
Sick leave expense	633	633	348
Interest and bank charges	434,982	423,360	284,990
Loss on disposal of tangible capital asset	-	20,333	-
Amortization	<u>906,382</u>	<u>906,382</u>	<u>674,191</u>
	<u>1,973,706</u>	<u>1,934,695</u>	<u>1,488,444</u>
Administration			
Administration	449,020	448,248	387,762
Pension expense	(9,133)	(9,133)	(5,923)
Sick leave expense	<u>763</u>	<u>763</u>	<u>649</u>
	<u>440,650</u>	<u>439,878</u>	<u>382,488</u>
	<u>\$ 2,669,127</u>	<u>\$ 2,601,514</u>	<u>\$ 2,083,981</u>