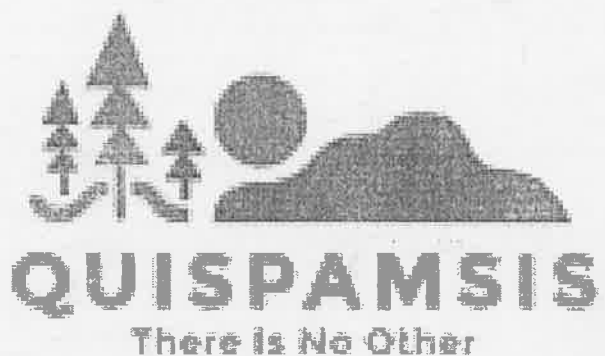


MUNICIPALITY OF QUISPAMISIS
CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013



MUNICIPALITY OF QUISPAMISIS

DECEMBER 31, 2013

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**TEED
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, 2013, 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 Jeffrey E. Saunders
John H. Landry Kenneth H. Kyle
T.J. Smith

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, 2013, and the results of its operations and changes in net debt for the year then ended in accordance with Canadian public sector accounting standards.

Teed Saunders Doyle & Co.

CHARTERED ACCOUNTANTS

Saint John, NB
June 17, 2014

MUNICIPALITY OF QUISPAMSIS

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 Budget (Note 24)	2013 Actual	2012 Actual
REVENUE (Note 2)			
Property tax warrant	\$ 19,052,925	\$ 19,052,928	\$ 18,275,172
Unconditional grant	573,125	573,120	814,848
Conditional government transfers (Note 25)	35,000	4,905,322	3,199,696
Services other governments	45,678	47,063	46,973
Other own source (Note 25)	1,399,151	1,443,519	1,428,710
Water and sewer user fees	2,118,226	2,133,177	2,032,180
Public donations and sponsorships	115,994	126,201	130,289
Sundry income	<u>167,284</u>	<u>420,867</u>	<u>254,229</u>
	<u>23,507,383</u>	<u>28,702,197</u>	<u>26,182,097</u>
EXPENDITURE (Notes 2 and 25)			
General government services	2,141,633	2,069,809	1,966,056
Protective services	6,149,708	6,153,619	5,627,778
Transportation services	6,814,327	7,100,269	6,448,094
Environmental health services	169,000	177,205	159,657
Environmental development services	384,620	378,676	350,247
Community services	5,871,935	5,737,482	5,563,269
Utility services	<u>2,307,851</u>	<u>2,083,981</u>	<u>1,881,226</u>
	<u>23,839,074</u>	<u>23,701,041</u>	<u>21,996,327</u>
ANNUAL SURPLUS (DEFICIT) FOR THE YEAR	\$ <u>(331,691)</u>	5,001,156	4,185,770
ACCUMULATED SURPLUS - BEGINNING OF YEAR		76,341,033	72,154,781
CHANGE IN PERCENTAGE OWNERSHIP OF CONTROLLED ENTITIES		<u>189,015</u>	<u>482</u>
ACCUMULATED SURPLUS - END OF YEAR		\$ <u>81,531,204</u>	\$ <u>76,341,033</u>

MUNICIPALITY OF QUISPAMISIS

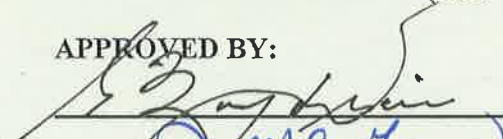

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
FINANCIAL ASSETS		
Cash and cash equivalents (Notes 2, 3 and 4)	\$ 2,350,396	\$ 1,187,865
Accounts receivable (Notes 2 and 3)		
General	669,752	1,162,365
Federal Government and its agencies (Note 5)	2,001,303	3,063,542
Province of New Brunswick (Note 6)	247,501	-
Investments (Notes 2, 3 and 8)	<u>357,040</u>	<u>265,339</u>
	<u>\$ 5,625,992</u>	<u>\$ 5,679,111</u>
LIABILITIES		
Bank loan (Notes 2, 3 and 16)	\$ 1,950,000	\$ 2,000,000
Accounts payable and accrued liabilities (Notes 2 and 3)	4,606,055	5,502,421
Deferred revenue (Notes 7 and 11)	-	883,979
Long term debt (Notes 2, 3 and 9)	29,024,725	23,581,072
Accrued pension obligation (Notes 2 and 13)	2,148,661	2,210,188
Accrued sick leave (Notes 2 and 12)	493,603	449,435
Accrued retirement allowance (Notes 2 and 13)	<u>646,323</u>	<u>611,838</u>
	<u>38,869,367</u>	<u>35,238,933</u>
NET DEBT	<u>(33,243,375)</u>	<u>(29,559,822)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Notes 2 and 18)	160,706,627	148,090,217
Accumulated amortization (Notes 2 and 18)	<u>(46,337,305)</u>	<u>(42,553,981)</u>
	114,369,322	105,536,236
Inventory (Note 2)	59,695	91,716
Prepaid expenses	36,277	40,098
Unamortized debenture costs	<u>309,285</u>	<u>232,805</u>
	<u>114,774,579</u>	<u>105,900,855</u>
ACCUMULATED SURPLUS	<u>\$ 81,531,204</u>	<u>\$ 76,341,033</u>

CONTINGENT LIABILITY (Note 14)

APPROVED BY:

 Mayor
 Treasurer

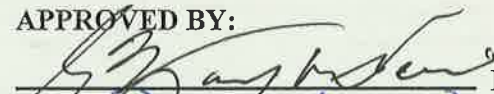
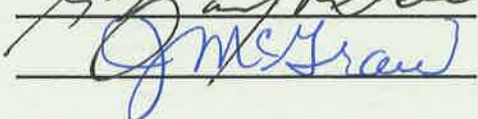
MUNICIPALITY OF QUISPAMISIS

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

AS AT DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Annual surplus	\$ 5,001,156	\$ 4,185,770
Acquisition of tangible capital assets	(14,058,238)	(11,547,036)
Proceeds on disposal of tangible capital assets	37,838	6,326
Amortization of tangible capital assets	5,003,331	4,633,534
Change in percentage ownership of tangible capital assets	(270,488)	(2,828)
Loss (gain) on disposal of tangible capital assets	<u>454,471</u>	<u>(4,037)</u>
	(3,831,930)	(2,728,271)
Acquisition of inventories	(59,695)	(91,716)
Acquisition of prepaid assets	(36,277)	(40,098)
Acquisition of unamortized debenture costs	(309,285)	(232,805)
Consumption of inventories	91,716	85,146
Use of prepaid assets	40,098	72,967
Consumption of unamortized debenture costs	<u>232,805</u>	<u>255,946</u>
	(3,872,568)	(2,678,831)
Change in percentage ownership	<u>189,015</u>	<u>482</u>
Increase in net debt	(3,683,553)	(2,678,349)
Net debt - beginning of year	<u>(29,559,822)</u>	<u>(26,881,473)</u>
Net debt - end of year	<u>\$ (33,243,375)</u>	<u>\$ (29,559,822)</u>

APPROVED BY:


 _____ Mayor

 _____ Treasurer

MUNICIPALITY OF QUISPAMIS

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2012
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
OPERATING TRANSACTIONS		
Annual surplus	\$ 5,001,156	\$ 4,185,770
Loss (gain) on disposal of tangible capital assets	454,471	(4,037)
Amortization of tangible capital assets	5,003,331	4,633,534
Accounts receivable - General	492,613	(335,329)
Receivable - Federal Government and its agencies	1,062,239	(2,704,306)
Receivable - Province of New Brunswick	(247,501)	4,584
Accounts payable and accrual liabilities	(896,366)	1,579,525
Deferred revenue	(883,979)	(452,731)
Change in accrued sick leave	44,168	54,016
Change in accrued pension obligation	(61,527)	2,784
Change in accrued retirement allowance	34,485	41,108
Change in inventory/prepaid expenses/unamortized debenture costs	<u>(40,638)</u>	<u>49,440</u>
	<u>9,962,452</u>	<u>7,054,358</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(14,058,238)	(11,547,036)
Change in percentage ownership of capital assets	(270,488)	(2,828)
Proceeds on disposal of tangible capital assets	<u>37,838</u>	<u>6,326</u>
	<u>(14,290,888)</u>	<u>(11,543,538)</u>
FINANCING TRANSACTION		
Bank loan	(50,000)	2,000,000
Long term debt	<u>5,443,653</u>	<u>(83,016)</u>
	<u>5,393,653</u>	<u>1,916,984</u>
INVESTING TRANSACTION		
(Increase) decrease in investments	<u>(91,701)</u>	<u>34,438</u>
CHANGE IN PERCENTAGE OWNERSHIP	<u>189,015</u>	<u>482</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,162,531	(2,537,276)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,187,865</u>	<u>3,725,141</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,350,396</u>	<u>\$ 1,187,865</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

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 Canadian Institute of Chartered Accountants.

The Municipality has adopted PSAS as of January 1, 2011.

The focus of 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
- Rothesay Regional Joint Board of Police Commissions (RRJPC)
- 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:

	2013	2012
Rothsay Regional Joint Board of Police Commissions	58.93%	57.23%
Kennebecasis Valley Fire Department Inc.	58.43%	56.59%
Kennebecasis Public Library	59.95%	56.70%

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

MUNICIPALITY OF QUISPAMSI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

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

Budget

The budget figures contained in these consolidated financial statements were approved by Council on January 8, 2013 and the Minister of Local Government on January 18, 2013.

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.

Inventories

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, 2013

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

Effective January 1, 2011, the Municipality adopted the provisions of PSA Section 3150 Tangible Capital Assets. Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital asset, 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 QUISPAMSI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

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 20.

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 12 and a pension plan and retirement allowance as documented in Note 13.

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, 2013:

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, 2013

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>2013</u>	<u>2012</u>
Unrestricted	\$ 1,109,711	\$ 374,901
Restricted - reserve funds	987,650	159,807
Restricted - controlled entities	<u>253,035</u>	<u>653,157</u>
	<u>\$ 2,350,396</u>	<u>\$ 1,187,865</u>

5. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	<u>2013</u>	<u>2012</u>
Canada Revenue Agency (HST refund)	\$ 775,053	\$ 728,259
Atlantic Canada Opportunities Agency	41,969	-
Canada-New Brunswick Gas Tax	1,184,281	-
Canada-New Brunswick Building Canada Fund	<u>-</u>	<u>2,335,283</u>
	<u>\$ 2,001,303</u>	<u>\$ 3,063,542</u>

6. DUE FROM PROVINCE OF NEW BRUNSWICK

	<u>2013</u>	<u>2012</u>
Department of Transportation and Infrastructure	<u>\$ 247,501</u>	<u>\$ -</u>

7. DEFERRED REVENUE

	<u>2013</u>	<u>2012</u>
Government transfers - Gas Tax	\$ -	\$ 857,556
Other	<u>-</u>	<u>26,423</u>
	<u>\$ -</u>	<u>\$ 883,979</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

8. INVESTMENTS

The investments represent the Municipality's proportionate share of the investments of the RRJPC. The investments consist of short term notes, Canadian equities and foreign equities and are recorded at fair market value. The unrealized gain (loss) on the investments at December 31, 2013 was \$5,368 (2012 - \$(1,582)). The investments are restricted for future payment of retirement benefits.

9. LONG TERM DEBT

(a) General Capital Fund

	Balance January 1, 2013	Issued during year	Redeemed during year	Balance December 31, 2013
New Brunswick Municipal Financing Corporation				
Debentures:				
A013 3.05% - 5.0%, due July 2013, OIC # 01-11, 02-15, 02-51	\$ 664,000	\$ -	\$ 664,000	\$ -
AQ06 2.75% - 5.5%, due July 2014, OIC # 02-51, 03-34	312,000	-	99,000	213,000
AS07 2.85% - 4.35, due July 2015, OIC # 03-34, 04-08	273,000	-	87,000	186,000
AU09 4.25% - 4.7%, due June 2016, OIC # 05-55	386,000	-	90,000	296,000
AW06 4.3% - 4.55%, due May 2017, OIC # 06-71	284,000	-	52,000	232,000
AY14 3.3% - 4.85%, due May 2018, OIC # 07-12	324,000	-	48,000	276,000
BB23 1.0% - 3.35% due May, 2014, OIC # 99-25	126,000	-	62,000	64,000
BD20 1.5% - 3.85% due November, 2020, OIC # 99-25, 99-72	690,000	-	135,000	555,000
BE14 1.65% - 4.25%, due May 2026, OIC # 00-43, 09-40, 09-72	11,562,000	-	691,000	10,871,000
BF19 1.35% - 3.45%, due December 2026, OIC # 11-39	2,379,000	-	224,000	2,155,000
FCM 10092 1-2012 2%, due May 2026, OIC # 09-75	2,000,000	-	115,000	1,885,000
BJ21 1.25% - 4.4%, due November 2033, OIC 11-83	-	3,564,000	-	3,564,000
	<u>19,000,000</u>	<u>3,564,000</u>	<u>2,267,000</u>	<u>20,297,000</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

9. LONG TERM DEBT (cont'd)

(a) General Capital Fund (cont'd)

	Balance January 1, 2013	Issued during year	Redeemed during year	Balance December 31, 2013
Capital leases:				
HSBC Bank Canada, 5.875%, due March 2013, secured by equipment	3,972	-	3,972	-
HSBC Bank Canada, 5.925%, due July 2015, secured by equipment	35,377	-	13,451	21,926
HSBC Bank Canada, 5.925%, due September 2020, secured by equipment	-	113,143	-	113,143
	<u>39,349</u>	<u>113,143</u>	<u>17,423</u>	<u>135,069</u>
	<u>\$ 19,039,349</u>	<u>\$ 3,677,143</u>	<u>\$ 2,284,423</u>	<u>\$ 20,432,069</u>

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

2014 - \$1,950,401; 2015 - \$1,711,388; 2016 - \$1,562,356; 2017 - \$1,483,005; 2018 - \$1,465,680

In 2014, debenture AQ06 will mature with a final payment of \$213,000, however \$109,000 of this payment is expected to be refinanced during that year. In 2016, debenture AU09 will mature with a final amount due of \$102,000.

(b) Utility Capital Fund

	Balance January 1, 2013	Issued during year	Redeemed during year	Balance December 31, 2013
New Brunswick Municipal Financing Corporation				
Debentures:				
AQ07 2.75% - 5.5% due July, 2014, OIC # 01-11, 02-15	\$ 84,000	\$ -	\$ 41,000	\$ 43,000
AS08 2.85% - 4.35%, due July 2015, OIC # 02-15	57,000	-	18,000	39,000
AU10 4.25% - 4.7%, due June 2016, OIC # 94-13, 93-22	1,729,000	-	100,000	1,629,000
AW07 4.3 - 4.55%, due November due 2017, OIC # 05-55, 05-105, 05-91	505,000	-	92,000	413,000
AY15 3.5% - 4.85%, due May 2018, OIC # 06-71, 07-12	48,000	-	23,000	25,000
BB24 1.0 - 4.5%, due November 2019, OIC # 07-12	211,000	-	27,000	184,000
BD21 1.5% - 3.85%, due November 2020, OIC # 08-42	246,000	-	28,000	218,000
BE15 1.65% - 4.25%, due May 2021, OIC # 00-43, 01-11	539,000	-	53,000	486,000

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

9. LONG TERM DEBT (cont'd)

(b) Utility Capital Fund (cont'd)

	Balance January 1, 2013	Issued during year	Redeemed during year	Balance December 31, 2013
BF20 1.35% - 3.45%, due December 2021, OIC # 09-68	179,000	-	21,000	158,000
BI19 1.35% - 4.0%, due June 2033, OIC 09-93	-	1,733,000	-	1,733,000
BJ22 1.25% - 4.4%, due November 2033, OIC 11-83	-	2,750,000	-	2,750,000
	<u>\$ 3,598,000</u>	<u>\$ 4,483,000</u>	<u>\$ 403,000</u>	<u>\$ 7,678,000</u>

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

2014 - \$572,000; 2015 - \$545,000; 2016 - \$1,843,000; 2017 - \$433,000; 2018 - \$334,000

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 - RRJBPC (proportionate share)

	Balance January 1, 2013	Issued during year	Redeemed during year	Balance December 31, 2013
New Brunswick Municipal Financing Corporation				
Debentures:				
AR52 2.75% - 4.8%, due 2014, OIC # 02-66, 03-53	\$ 324,494	\$ -	\$ 11,607	\$ 312,887
AT63 3.75% - 4.375%, due 2015, OIC # 03-53	619,229	-	17,460	601,769
	<u>\$ 943,723</u>	<u>\$ -</u>	<u>\$ 29,067</u>	<u>\$ 914,656</u>

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

2014 - \$350,598; 2015 - \$564,058

In 2014, debenture AR52 will mature with a final amount due of \$312,887, however \$290,496 of this payment is expected to be refinanced during that year. In 2015, debenture AT63 will mature with a final amount due of \$563,906, however, \$524,425 of this payment is expected to be refinanced during that year.

Total Long term debt:

	2013	2012
General Capital Fund	\$ 20,432,069	\$ 19,039,349
Utility Capital Fund	7,678,000	3,598,000
Jointly Controlled Entity - RRJBPC	<u>914,656</u>	<u>943,723</u>
	<u>\$ 29,024,725</u>	<u>\$ 23,581,072</u>

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

MUNICIPALITY OF QUISPAMISIS

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10. 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.

11. DEFERRED REVENUE

Deferred revenue represents contributions restricted for use in projects that have yet to be started.

12. 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 as at December 31, 2011, the 74 employee plan for Quispamsis and the 40 employee plan for KVFD. The actuarial method used was the Projected Unit Credit pro-rated on service to expected usage. The valuation was based on a number of assumptions about future events, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions used reflect the 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%
- retirement age is 60; and
- estimated net excess utilization of rate of sick leave varies with age.

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

The consolidated unfunded liability consist of:

	2013	2012
Quispamsis	\$ 128,000	\$ 113,800
KVFD	358,030	335,635
RRJPC	<u>7,573</u>	<u>-</u>
	<u>\$ 493,603</u>	<u>\$ 449,435</u>

MUNICIPALITY OF QUISPAMISIS

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13. 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 4.19% and an annual salary increase rate of 3%.

RRJBPC'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%.

The consolidated unfunded liability consist of:

	<u>2013</u>	<u>2012</u>
KVFD	\$ 240,848	\$ 238,697
RRJBPC	<u>405,475</u>	<u>373,141</u>
Balance at end of year	<u>\$ 646,323</u>	<u>\$ 611,838</u>

Pension Obligation

Employees of Quispamsis, KVFD and RRJBPC 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, 2011 and resulted in an overall NBMEPP accrued benefit obligation of \$78,574,700 based on the accounting basis.

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

13. 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, 2012 (same as December 31, 2011):

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

The actuarial valuation prepared as at December 31, 2011 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 \$12,629,600, an increase of \$2,926,300 from the December 31, 2010 deficit of \$9,703,300. In response to the deficit increase, effective January 1, 2013, plan benefits were amended and contribution rates were increased. Based on the assumptions as at December 31, 2011, 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, 2011, the NBMEPP provides benefits for 157 retirees. Total benefits payments to retirees and terminating employees during 2013 are estimated to be approximately \$2,317,600 (actual 2012, \$2,261,100) 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 2013 are estimated to be approximately \$5,026,600 (actual 2012, \$4,831,600) in totality for the NBMEPP.

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

- The average age of the 77 active employees covered by the NBMEPP is 44.2;
- benefit payments were \$163,700 in 2012 and were estimated to be \$171,700 in 2013; and
- combined contributions were \$601,400 in 2012 and were estimated to be \$622,400 in 2013.

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

- The average age of the 37 active employees covered by the NBMEPP is 45.1;
- benefit payments were \$268,500 in 2012 and were estimated to be \$219,800 in 2013; and
- combined contributions were \$401,800 in 2012 and were estimated to be \$409,000 in 2013.

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

- The average age of the 42 active employees covered by the NBMEPP is 41.7;
- benefit payments were \$234,700 in 2012 and were estimated to be \$240,700 in 2013; and
- combined contributions were \$526,600 in 2012 and were estimated to be \$545,000 in 2013.

MUNICIPALITY OF QUISPAMISIS

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13. 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, 2011 and December 31, 2012, NBMEPP's actuary performed an extrapolation of the December 31, 2012 accounting valuation to determine the estimated position as at December 31, 2013. The extrapolation assumes assumptions used as at December 31, 2013 remain unchanged from December 31, 2012. The extrapolation also assumes assets return 5.5%, 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, 2013 to Dec 31, 2013</u>	<u>Estimated Jan 1, 2012 to Dec 31, 2012</u>
Accrued Benefit Liability		
Accrued benefit liability at beginning of period	\$ 2,210,188	\$ 2,207,404
Change in ownership percentage	44,646	(45)
Adjust to 2012 actual	(28,570)	-
Pension expense for the year	513,681	551,505
Employer contributions	<u>(591,284)</u>	<u>(548,676)</u>
Accrued benefit liability at end of period	<u>\$ 2,148,661</u>	<u>\$ 2,210,188</u>

In summary, the consolidated accrued benefit liability is estimated to be \$2,148,661 as at December 31, 2013. The December 31, 2012 liability was estimated in the prior year. The actual liability was calculated to be \$2,181,618. The difference of \$28,570 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, 2013 to Dec 31, 2013</u>	<u>Estimated Jan 1, 2012 to Dec 31, 2012</u>
Quispamsis	\$ 645,800	\$ 775,300
KVFD	746,502	701,829
RRJBPC	<u>756,359</u>	<u>733,059</u>
	<u>\$ 2,148,661</u>	<u>\$ 2,210,188</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, 2013 to Dec 31, 2013</u>	<u>Actual Jan 1, 2012 to Dec 31, 2012</u>
Reconciliation of Funded Status at End of Period		
Accrued benefit obligation	\$ 17,488,434	\$ 15,847,939
Plan assets	<u>(14,524,125)</u>	<u>(12,805,274)</u>
Plan deficit	2,964,309	3,042,665
Unamortized experience losses	<u>(815,648)</u>	<u>(861,047)</u>
Accrued benefit liability at end of period	<u>\$ 2,148,661</u>	<u>\$ 2,181,618</u>

MUNICIPALITY OF QUISPAMIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

13. 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, 2013 to Dec 31, 2013	Actual Jan 1, 2012 to Dec 31, 2012
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation at beginning of period	\$ 15,847,939	\$ 14,594,800
Change in ownership percentage	297,525	(643)
Current service cost	884,822	841,949
Benefits payments	(441,983)	(449,963)
Interest for period	900,131	850,829
Experience loss during period	<u>-</u>	<u>10,967</u>
Accrued benefit obligation at end of period	<u>\$ 17,488,434</u>	<u>\$ 15,847,939</u>

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

	Estimated Jan 1, 2013 to Dec 31, 2013	Actual Jan 1, 2012 to Dec 31, 2012
Reconciliation of Plan Assets		
Plan assets at beginning of period	\$ 12,805,274	\$ 11,192,877
Change in ownership percentage	240,402	(493)
Employer contributions	591,284	565,529
Employee contributions	591,284	565,529
Benefit payments	(441,983)	(449,963)
Return on plan assets during period	737,864	913,895
Experience gain during the year	<u>-</u>	<u>17,900</u>
Plan assets at end of period	<u>\$ 14,524,125</u>	<u>\$ 12,805,274</u>

Total expense related to pensions include the following components:

	Estimated Jan 1, 2013 to Dec 31, 2013	Actual Jan 1, 2012 to Dec 31, 2012
Pension Expense		
Employer current service cost	\$ 293,538	\$ 276,420
Interest on accrued benefit obligation	900,131	818,516
Expected return on assets	(737,864)	(634,268)
Amortization of unrecognized balances		
Experience loss	<u>57,877</u>	<u>54,799</u>
Pension expense	<u>\$ 513,682</u>	<u>\$ 515,467</u>

The pension expense is included in the statement of operations.

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

14. 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, 2013 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.

15. 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 (2012 - \$5,000) was made. The remaining \$40,000 is payable at \$5,000 per year, over the next 8 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 (2012 - \$17,500) was made. The remaining \$52,500 is payable at \$17,500 per year, over the next 3 years.

Snow clearing

The Municipality has committed to a contractor for snow clearing services for the next 4 months. The future minimum payment over the next year is \$156,550.

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 two years are as follows:

2014	\$7,591
2015	1,287

Library expansion

The Municipality has agreed to fund its proportionate share of the Kennebecasis Public Library Inc. expansion project to a maximum of \$3,402,000. During 2013, the Municipality contributed \$474,159 (2012 - \$2,075,813) to this project.

MUNICIPALITY OF QUISPAMSIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

16. 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 2013, 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, 2013, the Municipality had \$1,950,000 (2012 - \$2,000,000) borrowed from the facility.

The Municipality has ministerial authority for short-term borrowings as follows:

General Capital Fund, OIC # 11-0083	\$ <u>402,000</u>
Utility Capital Fund, OIC # 12-0079	\$ 1,250,000
Utility Capital Fund, OIC # 12-0091	<u>2,400,000</u>
	\$ <u>3,650,000</u>

Inter-fund Borrowing

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

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.

17. 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:

	2013	2012
2013 Surplus	\$ 119,636	\$ -
2012 Surplus	129,352	129,352
2011 Surplus	<u>-</u>	<u>135,305</u>
	\$ <u>248,988</u>	\$ <u>264,657</u>

MUNICIPALITY OF QUISPAMSI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

18. 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	2013 Total	2012 Total
COST													
Balance - beginning of year	\$ 3,011,087	\$ 5,931,859	\$ 31,308,625	\$ 303,004	\$ 2,659,984	\$ 3,976,729	\$ 60,284,768	\$ 20,415,470	\$ 10,351,993	\$ 138,243,519	\$ 9,846,698	\$ 148,090,217	\$ 136,901,154
Change in percentage ownership	15,227	1,774	97,448	3,022	52,199	11,081	-	-	-	180,751	154,262	335,013	4,651
Add: Net additions during the year	265,820	453,120	3,133,834	168,241	342,036	1,403,216	3,378,772	7,070,280	2,245,971	18,461,290	(5)	18,461,285	11,547,036
Less: Disposals during the year	-	(15,167)	(359,986)	-	(145,044)	(244,544)	(1,012,100)	-	-	(1,776,841)	(4,403,047)	(6,179,888)	(362,624)
Balance - end of year	<u>3,292,134</u>	<u>6,371,586</u>	<u>34,179,921</u>	<u>474,267</u>	<u>2,909,175</u>	<u>5,146,482</u>	<u>62,651,440</u>	<u>27,485,750</u>	<u>12,597,964</u>	<u>155,108,719</u>	<u>5,597,908</u>	<u>160,706,627</u>	<u>148,090,217</u>
ACCUMULATED AMORTIZATION													
Balance - beginning of year	-	1,316,934	4,397,057	189,859	1,314,931	2,013,672	25,230,818	3,119,191	4,971,519	42,553,981	-	42,553,981	38,278,959
Change in percentage ownership	-	1,200	34,024	1,133	20,618	7,550	-	-	-	64,525	-	64,525	1,823
Add: Amortization during the year	-	352,291	884,249	56,691	218,509	454,102	2,355,819	338,491	343,179	5,003,331	-	5,003,331	4,633,534
Less: Accumulated amortization on disposals	-	(15,167)	(227,452)	-	(139,443)	(216,796)	(685,674)	-	-	(1,284,532)	-	(1,284,532)	(360,335)
Balance - end of year	<u>-</u>	<u>1,655,258</u>	<u>5,087,878</u>	<u>247,683</u>	<u>1,414,615</u>	<u>2,258,528</u>	<u>26,900,963</u>	<u>3,457,682</u>	<u>5,314,698</u>	<u>46,337,305</u>	<u>-</u>	<u>46,337,305</u>	<u>42,553,981</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 3,292,134</u>	<u>\$ 4,716,328</u>	<u>\$ 29,092,043</u>	<u>\$ 226,584</u>	<u>\$ 1,494,560</u>	<u>\$ 2,887,954</u>	<u>\$ 35,750,477</u>	<u>\$ 24,028,068</u>	<u>\$ 7,283,266</u>	<u>\$ 108,771,414</u>	<u>\$ 5,597,908</u>	<u>\$ 114,369,322</u>	<u>\$ 105,536,236</u>
Consists of:													
General Fund													
Assets	\$ 2,133,492	\$ 4,553,003	\$ 24,303,422	\$ 166,491	\$ 260,202	\$ 1,919,024	\$ 35,750,477	\$ -	\$ -	\$ 69,086,111	\$ 45,697	\$ 69,131,808	\$ 69,593,182
Utility Fund													
Assets	806,719	-	-	-	50,716	622,568	-	24,028,068	7,283,266	32,791,337	5,552,211	38,343,548	29,787,790
Jointly Controlled Entities	<u>351,923</u>	<u>163,325</u>	<u>4,788,621</u>	<u>60,093</u>	<u>1,183,642</u>	<u>346,362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,893,966</u>	<u>-</u>	<u>6,893,966</u>	<u>6,155,264</u>
	<u>\$ 3,292,134</u>	<u>\$ 4,716,328</u>	<u>\$ 29,092,043</u>	<u>\$ 226,584</u>	<u>\$ 1,494,560</u>	<u>\$ 2,887,954</u>	<u>\$ 35,750,477</u>	<u>\$ 24,028,068</u>	<u>\$ 7,283,266</u>	<u>\$ 108,771,414</u>	<u>\$ 5,597,908</u>	<u>\$ 114,369,322</u>	<u>\$ 105,536,236</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>336,866</u>	\$ <u>(130,683)</u>	\$ <u>206,183</u>

MUNICIPALITY OF QUISPAMISIS

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19. 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>2013 Total</u>	<u>2012 Total</u>
COST									
Balance - beginning of year	\$ 333,778	\$ 46,319	\$ 2,896,340	\$ 101,486	\$ 1,624,535	\$ 284,247	\$ 2,691,287	\$ 7,977,992	\$ 5,474,365
Change in percentage ownership	15,227	1,774	97,448	3,022	52,199	11,081	154,262	335,013	4,651
Add: Net additions during the year	2,918	150,218	2,984,188	-	294,944	280,756	-	3,713,024	2,518,451
Less: Disposals during the year	<u>-</u>	<u>(15,167)</u>	<u>(281,128)</u>	<u>-</u>	<u>(117,513)</u>	<u>(86,958)</u>	<u>(2,845,549)</u>	<u>(3,346,315)</u>	<u>(19,475)</u>
Balance - end of year	<u>351,923</u>	<u>183,144</u>	<u>5,696,848</u>	<u>104,508</u>	<u>1,854,165</u>	<u>489,126</u>	<u>-</u>	<u>8,679,714</u>	<u>7,977,992</u>
ACCUMULATED AMORTIZATION									
Balance - beginning of year	-	27,036	937,058	38,057	646,245	174,332	-	1,822,728	1,608,183
Change in percentage ownership	-	1,200	34,024	1,133	20,618	7,550	-	64,525	1,823
Add: Amortization during the year	-	6,750	121,642	5,225	115,572	47,840	-	297,029	229,908
Less: Accumulated amortization on disposals	<u>-</u>	<u>(15,167)</u>	<u>(184,497)</u>	<u>-</u>	<u>(111,912)</u>	<u>(86,958)</u>	<u>-</u>	<u>(398,534)</u>	<u>(17,186)</u>
Balance - end of year	<u>-</u>	<u>19,819</u>	<u>908,227</u>	<u>44,415</u>	<u>670,523</u>	<u>142,764</u>	<u>-</u>	<u>1,785,748</u>	<u>1,822,728</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 351,923</u>	<u>\$ 163,325</u>	<u>\$ 4,788,621</u>	<u>\$ 60,093</u>	<u>\$ 1,183,642</u>	<u>\$ 346,362</u>	<u>\$ -</u>	<u>\$ 6,893,966</u>	<u>\$ 6,155,264</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

20. 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>2013 Consolidated</u>	<u>2012 Consolidated</u>
REVENUE									
Property tax warrant	\$ 1,810,028	\$ 5,430,084	\$ 6,287,467	\$ 152,423	\$ 323,900	\$ 5,049,026	\$ -	\$ 19,052,928	\$ 18,275,172
Services provided to other governments	-	-	47,063	-	-	-	-	47,063	46,973
Other own source	443,002	79,867	-	-	-	920,650	-	1,443,519	1,428,710
Unconditional grant	54,446	163,339	189,130	4,585	9,743	151,877	-	573,120	814,848
Conditional government transfers	42,836	-	-	-	-	12,028	4,850,458	4,905,322	3,199,696
Water and sewer user fees	-	-	-	-	-	-	2,133,177	2,133,177	2,032,180
Contributions from public donations	-	-	-	-	-	126,201	-	126,201	130,289
Sundry and interest	<u>77,635</u>	<u>248,828</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,168</u>	<u>54,236</u>	<u>420,867</u>	<u>254,229</u>
	<u>2,427,947</u>	<u>5,922,118</u>	<u>6,523,660</u>	<u>157,008</u>	<u>333,643</u>	<u>6,299,950</u>	<u>7,037,871</u>	<u>28,702,197</u>	<u>26,182,097</u>
EXPENDITURE									
Salaries and benefits	1,034,766	5,206,011	2,004,958	-	220,780	2,057,624	650,414	11,174,553	10,297,600
Goods and services	972,543	686,289	1,825,855	177,205	153,073	1,792,917	474,386	6,082,268	6,171,628
Interest	13,449	28,561	101,727	-	-	557,692	284,990	986,419	897,602
Other	-	(4,490)	362,329	-	-	96,632	-	454,471	(4,037)
Amortization	<u>49,051</u>	<u>237,248</u>	<u>2,805,400</u>	<u>-</u>	<u>4,823</u>	<u>1,232,617</u>	<u>674,191</u>	<u>5,003,330</u>	<u>4,633,534</u>
	<u>2,069,809</u>	<u>6,153,619</u>	<u>7,100,269</u>	<u>177,205</u>	<u>378,676</u>	<u>5,737,482</u>	<u>2,083,981</u>	<u>23,701,041</u>	<u>21,996,327</u>
Surplus (deficit) for the year	<u>\$ 358,138</u>	<u>\$ (231,501)</u>	<u>\$ (576,609)</u>	<u>\$ (20,197)</u>	<u>\$ (45,033)</u>	<u>\$ 562,468</u>	<u>\$ 4,953,890</u>	<u>\$ 5,001,156</u>	<u>\$ 4,185,770</u>

MUNICIPALITY OF QUISPAMSI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

21. 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
2013 annual surplus (deficit)	\$ 10,879,104	\$(5,058,932)	\$ 780,115	\$ 4,176,267	\$ 3,429	\$ 9,284	\$ 738	\$ 13,710	\$ 16,500	\$(5,819,059)	\$ 5,001,156
Adjustments to annual surplus											
(deficit) for funding requirements											
Second previous year's surplus	1,888	-	135,307	-	-	-	-	-	-	6,372	143,567
Transfers between funds											
Transfer elimination	-	720,000	-	-	-	(720,000)	-	-	-	(221,335)	(221,335)
Transfer elimination	(478,000)	-	-	-	-	478,000	-	-	-	-	-
Transfer elimination	(273,000)	-	-	-	273,000	-	-	-	-	-	-
Transfer elimination	(1,915,978)	1,915,978	-	-	-	-	-	-	-	-	-
Transfer elimination	8,952	-	(8,952)	-	-	-	-	-	-	-	-
Transfer elimination	-	-	(175,000)	175,000	-	-	-	-	-	-	-
Transfer elimination	-	-	(42,000)	-	-	-	-	42,000	-	-	-
Transfer elimination	-	-	(153,000)	-	-	-	-	153,000	-	-	-
Long term debt principal repayment	(1,725,721)	1,725,721	(402,996)	402,996	-	-	-	-	-	-	-
Provision for pension liability	(113,958)	-	(15,542)	-	-	-	-	-	-	22,595	(106,905)
Provision for sick leave accrual	12,496	-	1,704	-	-	-	-	-	-	18,474	32,674
Provision for retirement allowance	-	-	-	-	-	-	-	-	-	27,838	27,838
Accumulated amortization on disposal of tangible capital assets	-	(885,998)	-	-	-	-	-	-	-	(305,458)	(1,191,456)
Revenue adjustment	(6,348,529)	-	-	-	-	-	-	-	-	6,347,525	(1,004)
Unrealized gains on investments	-	-	-	-	-	-	-	-	-	(6,588)	(6,588)
Amortization expense	-	4,042,729	-	674,191	-	-	-	-	-	286,411	5,003,331
Total adjustments to 2013 annual surplus (deficit)	<u>(10,831,850)</u>	<u>7,518,430</u>	<u>(660,479)</u>	<u>1,252,187</u>	<u>273,000</u>	<u>(242,000)</u>	<u>-</u>	<u>195,000</u>	<u>-</u>	<u>6,175,834</u>	<u>3,680,122</u>
2013 annual surplus (deficit) for funding requirements	<u>\$ 47,254</u>	<u>\$ 2,459,498</u>	<u>\$ 119,636</u>	<u>\$ 5,428,454</u>	<u>\$ 276,429</u>	<u>\$ (232,716)</u>	<u>\$ 738</u>	<u>\$ 208,710</u>	<u>\$ 16,500</u>	<u>\$ 356,775</u>	<u>\$ 8,681,278</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

22. STATEMENT OF RESERVES

	General Operating Reserve	General Capital Reserve	Utility Operating Reserve	Utility Equipment Replacement Reserve	Utility Capital Reserve	Land Trust Fund	2013 Total	2012 Total
ASSETS								
Cash and short term investments	\$ 601,429	\$ 120,657	\$ -	\$ -	\$ 35,002	\$ 230,562	\$ 987,650	\$ 159,807
Accounts receivable from other funds	-	518,454	107,746	241,823	1,287,376	(3,215)	2,152,184	2,710,366
	<u>\$ 601,429</u>	<u>\$ 639,111</u>	<u>\$ 107,746</u>	<u>\$ 241,823</u>	<u>\$ 1,322,378</u>	<u>\$ 227,347</u>	<u>\$ 3,139,834</u>	<u>\$ 2,870,173</u>
ACCUMULATED SURPLUS	<u>\$ 601,429</u>	<u>\$ 639,111</u>	<u>\$ 107,746</u>	<u>\$ 241,823</u>	<u>\$ 1,322,378</u>	<u>\$ 227,347</u>	<u>\$ 3,139,834</u>	<u>\$ 2,870,173</u>
REVENUE								
Lot fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,200	\$ 17,200	\$ 9,010
Transfers from General Operating Fund	273,000	478,000	-	-	-	-	751,000	1,370,000
Transfers from Utility Operating Fund	-	-	-	42,000	153,000	-	195,000	-
Interest	3,429	9,284	738	1,978	11,732	2,334	29,495	19,699
	<u>276,429</u>	<u>487,284</u>	<u>738</u>	<u>43,978</u>	<u>164,732</u>	<u>19,534</u>	<u>992,695</u>	<u>1,398,709</u>
EXPENDITURES								
Transfers to General Capital Fund	-	720,000	-	-	-	3,034	723,034	370,000
	<u>-</u>	<u>720,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,034</u>	<u>723,034</u>	<u>370,000</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 276,429</u>	<u>\$ (232,716)</u>	<u>\$ 738</u>	<u>\$ 43,978</u>	<u>\$ 164,732</u>	<u>\$ 16,500</u>	<u>\$ 269,661</u>	<u>\$ 1,028,709</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

22. STATEMENT OF RESERVES (cont'd)

Council Resolutions regarding transfers to and from reserves:

Moved by Councillor Miller and seconded by Councillor Thompson be it resolved that \$153,000 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund.

Moved by Councillor Thompson and seconded by Councillor Clark be it resolved that an amount up to \$3,034 be withdrawn from the Land Trust Fund for the purchase of a parcel of land to be used for Public Purposes.

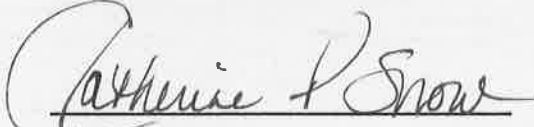
Moved by Councillor Loughery and seconded by Councillor Clark be it resolved that \$42,000 be transferred from the 2013 Utility Operating Fund to the Utility Capital Replacement Reserve Fund to pay for the cost of replacement of capital items for the Wastewater System Upgrades.

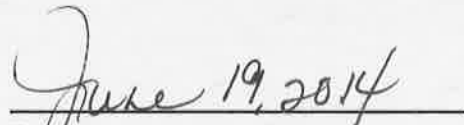
Moved by Councillor Thompson and seconded by Councillor Olsen be it resolved that an amount up to \$273,000 be transferred from the 2013 General Revenue Operating Fund to the General Operating Reserve Fund.

Moved by Councillor Thompson and seconded by Councillor Loughery be it resolved that an amount up to \$478,000 be transferred from the General Operating Fund to the General Capital Reserve Fund.

Moved by Councillor Clark and seconded by Councillor Miller be it resolved that \$720,000 be transferred from the General Capital Reserve Fund to be used for 2013 capital expenditures.

I hereby certify that the above are true and exact copies of resolutions adopted at a meeting of Council on December 17, 2013.


Clerk,
Quispamsis


Date

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

23. STATEMENT OF JOINTLY CONTROLLED ENTITIES OPERATIONS

	<u>KV Fire</u>	<u>Police</u>	<u>Library</u>	<u>2013 Total</u>	<u>2012 Total</u>
ASSETS	\$ <u>2,321,538</u>	\$ <u>2,043,274</u>	\$ <u>3,654,532</u>	\$ <u>8,019,344</u>	\$ <u>7,991,411</u>
LIABILITIES	\$ <u>1,417,980</u>	\$ <u>2,268,275</u>	\$ <u>120,218</u>	\$ <u>3,806,473</u>	\$ <u>4,493,353</u>
ACCUMULATED SURPLUS (DEFICIT)	\$ <u>903,558</u>	\$ <u>(225,001)</u>	\$ <u>3,534,314</u>	\$ <u>4,212,871</u>	\$ <u>3,498,058</u>
REVENUE	\$ 2,666,278	\$ 3,350,734	\$ 622,990	\$ 6,640,002	\$ 7,768,380
EXPENDITURES	<u>2,640,587</u>	<u>3,216,887</u>	<u>256,730</u>	<u>6,114,204</u>	<u>5,458,412</u>
	25,691	133,847	366,260	525,798	2,309,968
CHANGE IN PERCENTAGE OWNERSHIP	<u>27,645</u>	<u>(10,376)</u>	<u>171,746</u>	<u>189,015</u>	<u>482</u>
ANNUAL SURPLUS	\$ <u>53,336</u>	\$ <u>123,471</u>	\$ <u>538,006</u>	\$ <u>714,813</u>	\$ <u>2,310,450</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, 2013

24. 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	\$ 19,052,925	\$ -	\$ -	\$ -	\$ -	\$ 19,052,925
Unconditional transfers from other governments	573,125	-	-	-	-	573,125
Conditional transfers from Federal or Provincial governments	35,000	-	-	-	-	35,000
Services other governments	63,019	-	-	-	(17,341)	45,678
Other own source	1,399,151	-	-	-	-	1,399,151
Public donations and sponsorships	115,994	-	-	-	-	115,994
Other transfers	8,946	13,680	-	-	(22,626)	-
Water and sewer user fees	-	2,118,226	-	-	-	2,118,226
Sundry income	10,000	35,362	-	121,922	-	167,284
Surplus of second previous year	1,888	135,305	-	-	(137,193)	-
	<u>21,260,048</u>	<u>2,302,573</u>	<u>-</u>	<u>121,922</u>	<u>(177,160)</u>	<u>23,507,383</u>
EXPENDITURES						
General government services	2,096,960	-	31,529	-	13,144	2,141,633
Protective services	5,854,717	-	234,223	5,593,124	(5,532,356)	6,149,708
Transportation services	3,951,579	-	2,763,326	-	99,422	6,814,327
Environmental health services	169,000	-	-	-	-	169,000
Environmental development services	745,007	-	125	-	(360,512)	384,620
Community services	3,754,873	-	1,198,475	87,158	831,429	5,871,935
Fiscal services						
Long term debt repayments	1,768,630	403,000	-	-	(2,171,630)	-
Interest	685,532	396,139	-	-	(1,081,671)	-
Transfer from General Operating Fund to General Capital Fund	2,233,750	-	-	-	(2,233,750)	-
Transfer from Utility Operating Fund to Utility Operating Reserve Fund	-	42,000	-	-	(42,000)	-
Transfer from Utility Operating Fund to Utility Capital Reserve Fund	-	152,903	-	-	(152,903)	-
Transfer from Utility Operating Fund to Utility Equipment Replacement Reserve Fund	-	-	-	-	-	-
Transfer from Utility Operating Fund to Utility Capital Fund	-	60,000	-	-	(60,000)	-
Utility services	<u>-</u>	<u>1,248,531</u>	<u>663,181</u>	<u>-</u>	<u>396,139</u>	<u>2,307,851</u>
	<u>21,260,048</u>	<u>2,302,573</u>	<u>4,890,859</u>	<u>5,680,282</u>	<u>(10,294,688)</u>	<u>23,839,074</u>
Surplus (deficit)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(4,890,859)</u>	\$ <u>(5,558,360)</u>	\$ <u>10,117,528</u>	\$ <u>(331,691)</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

25. REVENUE AND EXPENDITURES SUPPORT

	<u>2013</u> Budget	<u>2013</u> Actual	<u>2012</u> Actual
REVENUE			
Other own source			
Permits and fines	\$ 266,390	\$ 295,163	\$ 218,929
Developers infrastructure contribution	-	-	73,675
Rental revenue	1,128,961	1,043,958	1,054,206
Miscellaneous	<u>3,800</u>	<u>104,398</u>	<u>81,900</u>
	<u>\$ 1,399,151</u>	<u>\$ 1,443,519</u>	<u>\$ 1,428,710</u>
Conditional government transfers			
Building Canada and Infrastructure			
Stimulus Funds	\$ -	\$ 1,131,383	\$ 2,335,283
Federation of Canadian Municipalities	-	-	300,000
Atlantic Canada Opportunities Agency	-	250,000	-
New Brunswick Dept. of Transportation and Infrastructure	-	242,957	-
New Brunswick Family and Youth Capital Assistance Program	-	-	50,000
New Brunswick Environmental Trust Fund	-	12,028	-
Gas Tax revenue	-	3,226,118	472,198
Other	<u>35,000</u>	<u>42,836</u>	<u>42,215</u>
	<u>\$ 35,000</u>	<u>\$ 4,905,322</u>	<u>\$ 3,199,696</u>
EXPENDITURE			
General government services			
Legislative			
Mayor	\$ 67,475	\$ 59,230	\$ 57,928
Councilors	<u>205,400</u>	<u>149,395</u>	<u>144,160</u>
	<u>272,875</u>	<u>208,625</u>	<u>202,088</u>
Administrative			
Administration	940,318	889,853	836,501
Office building	128,084	135,930	114,764
Solicitor	115,000	129,131	131,780
Other	<u>125,410</u>	<u>105,528</u>	<u>100,677</u>
	<u>1,308,812</u>	<u>1,260,442</u>	<u>1,183,722</u>
Financial management			
External audit and PSAS conversion	<u>16,600</u>	<u>53,132</u>	<u>29,688</u>

MUNICIPALITY OF QUISPAMSI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

25. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2013</u> Budget	<u>2013</u> Actual	<u>2012</u> Actual
General government services (cont'd)			
Other			
Civic relations	94,400	83,645	99,204
Insurance	90,000	104,505	86,016
Cost of assessment	302,973	302,971	293,736
Other	11,300	11,511	14,881
Interest	13,144	13,449	13,458
Pension expense (recovery)	(19,680)	(19,680)	(4,745)
Sick leave expense	2,158	2,158	2,112
Amortization	<u>49,051</u>	<u>49,051</u>	<u>45,896</u>
	<u>543,346</u>	<u>547,610</u>	<u>550,558</u>
	<u>\$ 2,141,633</u>	<u>\$ 2,069,809</u>	<u>\$ 1,966,056</u>
Protective services			
Fire			
Administration	\$ 290,935	\$ 216,289	\$ 229,960
Firefighting force	1,837,224	1,918,307	1,649,482
Telecommunications	10,003	6,146	9,091
Insurance	20,451	20,055	19,659
Prevention and training	20,158	18,286	11,319
Facilities	138,127	116,293	116,480
Fleet	65,383	70,379	70,050
Operations	19,165	32,078	44,026
Water costs	14,469	14,469	13,507
Retirement allowance	28,743	31,792	44,359
Other	876	733	615
Loss (gain) on disposal of tangible capital assets	-	(6,850)	(4,752)
Amortization	<u>134,063</u>	<u>134,063</u>	<u>124,375</u>
	<u>2,579,597</u>	<u>2,572,040</u>	<u>2,328,171</u>
Police			
Crime Control	2,157,251	2,207,554	1,988,491
Vehicle Fleet	169,646	165,315	169,520
Property	146,581	143,614	135,787
Administration	436,571	429,782	406,500
Retirement allowance	44,242	44,245	43,497
Communications	175,965	173,097	172,354
Loss (gain) on disposal of tangible capital assets	-	2,360	715
Amortization	<u>96,386</u>	<u>96,392</u>	<u>96,993</u>
	<u>3,226,642</u>	<u>3,262,359</u>	<u>3,013,857</u>

MUNICIPALITY OF QUISPAMSI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

25. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2013</u> Budget	<u>2013</u> Actual	<u>2012</u> Actual
Protective services (cont'd)			
Other			
Emergency measures	6,210	17,745	8,183
Animal control	62,000	85,498	65,749
Building inspection	238,541	178,912	172,904
Crosswalk guards	5,036	4,736	4,480
Interest	27,914	28,561	28,581
Pension expense (recovery)	(3,398)	(3,398)	(907)
Sick leave expense	373	373	404
Amortization	<u>6,793</u>	<u>6,793</u>	<u>6,356</u>
	<u>343,469</u>	<u>319,220</u>	<u>285,750</u>
	<u>\$ 6,149,708</u>	<u>\$ 6,153,619</u>	<u>\$ 5,627,778</u>
Transportation services			
Common			
Workshop, yard and equipment maintenance	\$ 68,931	\$ 70,289	\$ 47,193
Engineering	<u>413,039</u>	<u>420,103</u>	<u>420,923</u>
	<u>481,970</u>	<u>490,392</u>	<u>468,116</u>
Roads and streets			
Culverts and drainage ditches	85,000	102,050	105,634
Summer maintenance	1,216,390	1,112,894	1,205,173
Snow and ice removal	1,794,094	1,812,130	1,615,580
Street lighting	130,000	129,268	130,388
Street signs	15,500	17,048	5,170
Traffic lane marking	32,000	24,388	24,033
Traffic signals and signs	11,100	8,112	3,951
Railway crossing signals	10,200	10,228	9,992
Public transit - Comex Service	175,325	166,377	160,438
Pension expense (recovery)	(47,256)	(47,256)	(12,894)
Sick leave expense	5,182	5,182	5,739
Interest	99,422	101,727	101,797
Loss on disposal of tangible capital assets	-	362,329	-
Amortization	<u>2,805,400</u>	<u>2,805,400</u>	<u>2,624,977</u>
	<u>6,332,357</u>	<u>6,609,877</u>	<u>5,979,978</u>
	<u>\$ 6,814,327</u>	<u>\$ 7,100,269</u>	<u>\$ 6,448,094</u>
Environmental health services			
Clean up campaign	\$ 166,000	\$ 172,679	\$ 158,700
Climate protection	<u>3,000</u>	<u>4,526</u>	<u>957</u>
	<u>\$ 169,000</u>	<u>\$ 177,205</u>	<u>\$ 159,657</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

25. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2013</u> Budget	<u>2013</u> Actual	<u>2012</u> Actual
Environmental development services			
Administration	\$ 257,038	\$ 256,092	\$ 239,400
Municipal plan	5,000	-	-
Enterprise Saint John	112,131	112,133	107,088
Regional Services Commission	10,326	10,326	-
Pension expense (recovery)	(5,277)	(5,277)	(1,359)
Sick leave expense	579	579	605
Amortization	<u>4,823</u>	<u>4,823</u>	<u>4,513</u>
	<u>\$ 384,620</u>	<u>\$ 378,676</u>	<u>\$ 350,247</u>
Community services			
Administration	\$ 176,133	\$ 170,062	\$ 163,993
Facilities maintenance	254,211	244,040	255,292
Beaches	82,328	76,813	74,287
Quispamsis Arena	406,693	373,342	390,099
Qplex	1,464,950	1,433,141	1,471,835
Parks and playgrounds	959,666	868,136	818,714
Parks office	85,650	66,771	97,647
Civic Centre	54,464	42,258	47,300
Recreation programs	108,558	89,235	95,179
Regional Facilities Commission	360,512	360,512	378,660
Library	87,158	93,524	68,449
Warehouse	20,960	19,040	13,978
Food bank building	10,660	6,951	6,317
Petingill Road house	-	1,616	-
Beach house	56,465	39,242	29,389
Pension expense (recovery)	(38,347)	(38,347)	(9,980)
Sick leave expense	4,205	4,205	4,442
Interest	545,052	557,692	558,076
Loss on disposal of tangible capital assets	-	96,632	-
Amortization	<u>1,232,617</u>	<u>1,232,617</u>	<u>1,099,592</u>
	<u>\$ 5,871,935</u>	<u>\$ 5,737,482</u>	<u>\$ 5,563,269</u>
Utility services			
Water System			
Treatment	\$ 57,052	\$ 53,152	\$ 54,641
Wellfields	6,500	1,548	3,420
Pump	12,550	11,744	2,384
Infrastructure	182,795	152,341	140,122
Pension expense (recovery)	(6,442)	(6,442)	(684)
Sick leave expense	<u>706</u>	<u>706</u>	<u>305</u>
	<u>253,161</u>	<u>213,049</u>	<u>200,188</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

25. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	2013 Budget	2013 Actual	2012 Actual
Sewer System			
Sewer collection system	154,383	116,872	116,474
Sewer lift stations	240,946	257,260	206,208
Treatment and disposal	186,032	157,960	148,562
Pension expense (recovery)	-	(3,177)	(1,393)
Sick leave expense	-	348	620
Interest and bank charges	396,138	284,990	195,690
Amortization	<u>674,191</u>	<u>674,191</u>	<u>630,832</u>
	<u>1,651,690</u>	<u>1,488,444</u>	<u>1,296,993</u>
Administration			
Administration	408,274	387,762	385,010
Pension expense	(5,923)	(5,923)	(1,738)
Sick leave expense	<u>649</u>	<u>649</u>	<u>773</u>
	<u>403,000</u>	<u>382,488</u>	<u>384,045</u>
	<u>\$ 2,307,851</u>	<u>\$ 2,083,981</u>	<u>\$ 1,881,226</u>